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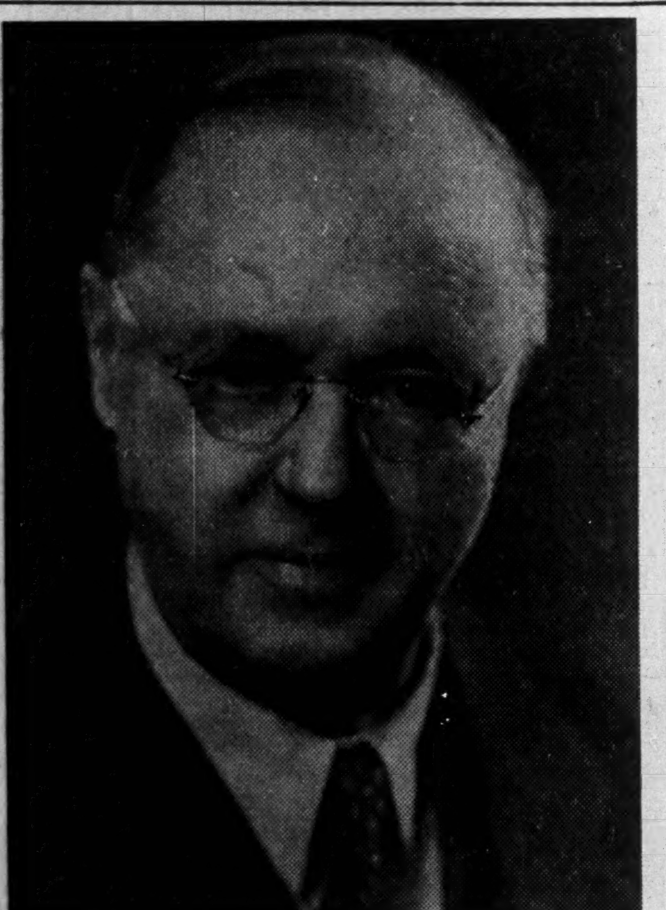
Labor Trouble Shooter



George Bligh O'Connor, of Edmonton and Alberta's Supreme Court, heads the new 10-man Canada Labor Relations Board which will administer the federal labor code with jurisdiction in transportation, communications, and possibly one or two other national or interprovincial industries. Mr. Justice O'Connor, 65 and Ontario-born (Walkerton), headed Canada's wartime Labor Relations Board, looks about 50, is an ardent gardener, golfer, bowler.

THE NATION'S BUSINESS

Strong PC Leader Vital to All Citizens

Every Canadian who wants our democratic institutions to survive has an important stake in the rejuvenation of the Conservative party.

Our political institutions work well only when there is a strong, vigorous opposition. The CCF will never be an acceptable opposition because it is a party of revolution. Any form of totalitarian party must inevitably restrict or destroy parliamentary institutions. Only through absolute continuing power can socialists go about their plans.

The man the Conservatives choose to lead them will be one of the key determinants of the rise or fall of party fortunes in the years ahead. Another will be the enthusiasm of the party organization. Elections to a large degree are won or lost by the choice of the floating vote (the people who veer from one party to another) and by success in stimulating the apathetic to vote. Hence, the work of the riding organizations is immensely important. The new Conservative leader must, therefore, be one who will win the enthusiastic co-operation of party workers all across the country.

Much more important, however, is his ability to command, on his record, the faith and respect of decent Canadian democrats of both political persuasions.

The Financial Post has no political connections and is completely independent. We welcomed the selection of Louis St. Laurent as Liberal leader because he had proved himself to be a man of outstanding qualities; one of the towering characters of his generation in Canada. We hope the Conservatives will also select, as Canada's alternative prime minister, a man of high character with a proven record of administrative ability.

Among the candidates mentioned to date, no one seems to possess more of the desirable qualifications for the post than Premier George Drew of Ontario. It is altogether likely that he will get the nomination in any event, assuming that he wants it, which we do not doubt.

With Mr. St. Laurent and Mr. Drew at Ottawa, Canada would be assured of strong leadership in both of its chief political parties. That would provide the nation with a large measure of insurance against the destructive challenge of dangerous third parties.

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UK's Industrial Lag Lesson For All

When Sir Stafford Cripps recently suggested an Anglo-American council to strengthen the technical knowledge of British industry, there was a torrent of vitriolic protest. British industry was efficient, Britain was the home of quality, Britain wasn't going to be told how to suck eggs by upstart America.

To the informed, however, it has long been evident that much of British industry was lagging far behind the U. S. in productivity.

Now for the first time there is a statistical measure of just how great the lag is. This was a study for the National Institute of Economic and Social Research. Key findings are this week revealed by The Economist of London. They are shocking.

Between 1935 and 1939 average productivity in manufacturing industry was more than twice as high in the U. S. as in Britain.

Output per man hour was some 2.8 times as high in the U. S. as in Britain.

On the basis of an index for output per worker of 100 for Britain, here are the figures of comparable U. S. productivity.

Packing materials (glass containers, cans, etc.) 415-423.
Durable mass-produced consumption goods (motor cars, radio sets, etc.) 310-312. Machinery 280.
Milling, rayon, soap, matches, paper 224-225.
Manufactured food 191-195.
Iron and steel 173-174.
Clothing 160-164. Textiles 155-160.
Textiles 155-160.
Building materials 113-125.

Now look at productivity on another basis.

On a per manhour basis some of the comparisons are even more startling. Again using 100 for Britain the 1937 index for the U. S. on pig iron is 452, on steel works and rolling mills 207, on machinery 340, woolen and worsteds 174-188, rubber tires 422, tin cans 709, boots and shoes 201, breweries 255, soap 343.

This is by all odds the most authoritative comparison yet made. It is startling to Canadians; it should be to Britons.

And what has happened between 1935 and 1947 — the era of so much industrial and technical development in North America; the era in Britain which saw so much emphasis on social security schemes, on socialism. It was also the period of war and postwar in which Britons have been exhorted to produce more for national survival.

Between 1935 and 1947 the U. K. index of total production rose by 9% while employment rose by 14.7%. This points to a decline in output per head of nearly 5%.

Here are some results of industries: textiles —0.6%, clothing and leather +13.4%, metal production —10%, food, drink, tobacco +21.9%, chemicals —27%, building and building materials —32%, fuel and power +15.2%, coal —18.6%, paper and printing —7%.

"These figures," says The Economist, "indicate the need for major technical reform in British industry and a revolution of thought on the part of the British worker. British industry has much to learn from American industry and even more to apply what it knows already. Will it do so in time?"

There is a grim warning here for Canadian industry and for Canadian workers.

Shawinigan's 'Assist' Gets Quebec Industry

Aids Kennecott Copper Develop Process to Use Titanium-Iron Ore—$10 Million Railway and $15 Million Electrolytic Refining Plant

By HOWARD GAMBLE

MONTREAL (Staff)—A grass-roots selling job by a public utilities company has brought a $25 million metal industry to Quebec. The new industry Quebec Iron & Titanium Corp. The salesman, Shawinigan Water & Power Co. The metal — Quebec's ilmenite ore.

Quebec's ilmenite deposits were known as far back as 1906. Until recently, however, their development was retarded due to the fact that all methods of separating the titanium from iron proved too costly.

Shawinigan, with an eye to new industrial customers for electric power, put its research department to work on the problem, it is understood. Profiting by its experience with its own electric carbide and stainless steel furnaces, the company's research department came up with the solution in 1945.

Kennecott Copper Corp. of United States and New Jersey Zinc Co. had also done some experimental work with the ore and the pooled knowledge resulted in the present plans for the electrolytic refining plant which will produce both titanium and iron.

R. J. Parker, vice-president of Kennecott, is president of the new Canadian company, Quebec Iron & Titanium Corp., which is owned 70% by Kennecott and 30% by New Jersey Zinc.

$10 Millions for Railway

The project involves the construction of a 27-mile railway at an estimated cost of $10 millions and a $15 million electrolytic refining plant at Sorel. Output from the Sorel plant is expected to run about 1,500 tons a day of which 800 tons will be titanium concentrate and approximately 600 tons of high-grade iron. It is thought that the first unit will be in production in 1951.

For the initial operation, Shawinigan Water & Power will supply the 150,000 hp. of electric power required. Additional quantities will be available from Shawinigan's Trenche development on the St. Maurice. It is reported that 3,000 men are now at work at the Trenche power site. Shawinigan is spending approximately $5 millions on this development in 1948-49.

(In Quebec, Premier Duplessis said total expenditure on the project might amount to $150 millions and that a minimum of 500,000 hp. might eventually be required.)

Will Export To U. S.

It is expected that the bulk of the titanium slag will be exported to United States. Production of pig iron could, it is claimed, result in new industries locating in the St. Maurice-Saguenay area.

Ilmenite (or titanium-iron) ore deposits are located in the Allard Lake area in Tetu County about 400 miles northeast of Quebec City. Plan is to run the railroad from the mining area to Havre St. Pierre on the Gulf of St. Lawrence. From here a fleet of freighters will carry the ore 500 miles up river to Sorel. (Earlier reports stated the refining plant might locate at Three Rivers, The Financial Post, Jan. 10).

Titanium slag is the raw material from which is produced titanium dioxide. This latter product is used as a pigment in paint. Some quantities of titanium are also used in metal alloys but it is claimed that this application of the metal is still in the development stage.

Up to the present the chief source of titanium has been the Indian province of Travancore. Some is also produced in New England. Certain regulations with respect to the export of the product from India have reduced supplies from this source.

PRICES

Meat prices took over the price spotlight this week. The long-awaited end of restrictions on cattle exports to the U. S. finally became a reality as Ottawa decided to allow beef cattle to enter the U. S.

How did the situation add up? Consistent rumors of embargo removal had maintained beef prices at high levels for several weeks. How much further they would rise would not clarify for some weeks. Traders were sparring in what one authority called a new type of "psychological warfare." U. S. buyers were busy creating the impression that they had no intention of offering top prices. And farmers were content to keep cattle on good August grass, until a price was set.

Cattle jumped unevenly $2 to $6 a cwt., but the retail effect was sporadic. Many butchers, risking losses to keep customers, posted last week's price lists; others reluctantly jumped prices anywhere up to 15c a lb.

The crux of the situation rests in the hands of U. S. buyers. Thus far they've refused to meet Canadian price demands, as they must consider additional freight charges, duty (1.55c a lb. on live weight and 3c on dressed beef), and shrinkage. Too, Canadian cattle cannot be considered in the same category as corn-fed U. S. livestock which are drawing top prices there.

Should the buyers find a satisfactory purchase level, Canadian prices will ally themselves to the U. S. counterpart, separated by a differential of the above factors. One U. S. chain store provided The Financial Post with the following mid-August prices:

BUFFALO PRICES (MID-AUG., CENTS)

	1946	1947	1948
Round steak	69	85	99
Ribbed roast	49	65	79
Leg of lamb	49	69	75
Lamb chops	69	89	99

Current Toronto chain store prices are: approximately 65c a lb. for round steak, 54c for ribbed roasts, 69c for leg of lamb, and 60c for lamb chops.

Alone, the entry of Canadian cattle will have little over-all effect on the meat supply situation in the U. S. But coupled with other control factors, it could con-

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Dues Vanish B. C. Loggers Start Probe

IWA (CIO) Local at Mission Orders Report—U.S. Head Blasts Reds

From Our Own Correspondent

VANCOUVER—B.C.'s logging union, International Woodworkers of America (CIO-CCL) is sorely troubled these days from above, within and without.

Above—A radio blast from IWA international president J. E. Fadling, Portland, Ore. Branding the B.C. Lumber Worker, party union organ as a Communist publication, he said: "We regret to say the B.C. Lumber Worker is following the party line." Fadling was "allying himself with employers to break the IWA in B.C.," angrily charged the Pacific Tribune, Communist mouthpiece, and B.C. district president Ernie Dalskog.

Without—The union and operators are going to conciliation on wages and union shop conditions, with Harvey Murphy, Communist head of the mine workers for the loggers; operators represented by Vancouver lawyer James A. MacDonald. Neither side has been able to agree on a chairman so B.C.'s Labor Relations Board will select one.

Within — Loggers at Mission, large logging community, have ordered a chartered accountants' probe into finances of their union local, 1-367 following report of a $6,061.25 discrepancy in per capita dues not paid to IWA international headquarters between Feb. 1946 and March 1948.

Fadling, in his radio castigation said: "The B.C. Lumber Worker has been carrying a great deal of false information. . . . The IWA majority which sponsors these broadcasts (the weekly Voice of the IWA) stands squarely with the CCL in its opposition to Communists, believes they should be criticized and exposed."

Reconstruction Dept.'s Fold-up Is Seen Nearer

OTTAWA — (Staff) — Announcement this week of the appointment of economist Alex Skelton, Director-General of Economic Research in the Dept. of Reconstruction and Supply, as an assistant Deputy Minister of Trade and Commerce, marks one of the final steps in the not-far-distant fold-up of the Reconstruction Dept. Mr. Skelton, prominent in government economic matters since the late '30's, will direct and co-ordinate for Trade and Commerce the functions of economic research, industrial development public projects, and commercial relations and foreign tariffs.

U.S. May Buy Arms From Plants Here

That's Major Problem Under Discussion as Ottawa and Washington Eye Troubled Western Europe Zone

By CYRIL BASSETT

OTTAWA (Staff)—What are the facts of the visit here this week by U. S. Defense Secretary James Forrestal? The answer is a lot—in terms of the over-all Canada-U. S. defense co-operation picture—but very little in terms of any immediate defense moves.

Standardization of arms? Arctic radar networks? Newfoundland bases? To be sure these things came up but of more immediate and pressing importance in the two-hour talks Mr. Forrestal had here with the Cabinet defense committee was Western Europe and what part Canada could play in defending her very important stake in that explosive area.

Western Europe and its vulnerability to any immediate attack by the Russians is the most immediate concern in all thinking on defense both here and in Washington. That's what Canadian Defense Minister Claxton meant when he told a press conference staged for Mr. Forrestal early this week: "The conference showed our point of view is very similar to that of the United States."

What does this mean to Canada? Simply this: how can Canadian war potential on the munitions-making side be kept up to useful scratch? That's what the Cabinet defense committee had to ask Mr. Forrestal to find out, for unless that potential can be kept immediately usefully occupied it's going to deteriorate.

Our Arms Surplus

Briefly the situation is this:

We've a stockpile of arms sufficient for our own immediate needs and we've a surplus which we feel could be usefully diverted to the Western Europe trouble spot. Ottawa feels it should be diverted. It feels, too, we should keep up our war potential in the factories.

What we'd like from the United States is an agreement which would ensure that our factories are kept humming on an economic basis. In other words, will the U.S. finance arms supplies to Western Europe from our factories? A figure of between $200 millions and $250 millions is mentioned in this regard—obviously a sizeable help to our dollar situation.

What really sparked all this was a recent visit to Western Europe by General Foulkes. On his return he reported finding "an empty shell" which the Russians, any time they started moving, could crush with a speed which would make Hitler's Low Countries blitzkrieg look very slow stuff indeed.

Accordingly defense experts here put that area right at the top of the agenda.

Long-Term Projects

What about the Arctic? That's a long-term project. No one now really believes there's anything more than a remote possibility of a Russia at war in the near future coming over the top.

All information here points to the fact that it is not in the strategy; that they haven't the material anyway. Consequently plans in this direction are not being much accelerated. We're pressing on with building Arctic weather stations, Churchill experiments with men and equipment go on rather more intensively, so do similar experiments from an air base outside Edmonton. But nothing more.

Standardization of weapons is another long-term business. Obviously our standardization when it comes will be along American lines. So will Britain's. We've been discussing it for a long time and will go on discussing it longer yet.

One feature of this business constantly overlooked is that within U.S. forces there's nothing

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Inside News

Conscription Costly

Does Canada need universal military training, or would it prove "a deceptive hoax — economic lunacy?" A Financial Post staff writer estimates that it would cost $1,000 millions in the first year, to inaugurate such a system — nearly 50% more than total estimated receipts from personal income tax this year. On the other hand, a selective draft system, such as planned in the United States, would only train 20,000 to 25,000 men yearly (p. 11).

When Will Canada Vote?

When will, or should, Canada's next federal election be held — this year, next year, or not until 1950? Would the Liberals prefer an early campaign, before Progressive Conservatives can organize fully under their new leader? Financial Post readers discuss the question. (p. 8).

New Newsprint Hurdle?

Another threat to production of Canadian newsprint, greatest earner of U. S. dollars, is on the horizon this week. Eighteen Northern Ontario pulp and paper operators face demands for a $2-a-day wage hike, for lumber and sawmill workers. The wage crisis may also speed a split between Communists and more moderate labor groups. Labor Roundup (p. 14).

Inventories and Controls

What will happen to retail inventories, in a period of even fiercer competition? Should small retailers make more use of stock control methods? When should inventory controls be adopted? The head of the business administration department of a Canadian university discusses these topics, of interest to most businessmen (p. 13).

Fertilizers Big Business

Canada's chemical fertilizer industry has become big business; has multiplied production values more than 18 times within a quarter-century, and today rates among the fastest-growing industries in the Dominion. What's the story behind this remarkable growth? How does it fit into the over-all national economy? (p. 11).

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Wild Atlantic Well Data Gives Great Hoist To Expectations for Leduc Oil Recovery

By GORDON M. GRANT

EDMONTON (Staff) — Will Leduc produce twice as much oil per acre as experts have thought likely hitherto?

That is the "more than a possibility" pushed to the fore by the amazing performance of wild Atlantic Oil No. 3 well, still gushing out well over 8,000 bbls. of oil a day when The Financial Post visited the Leduc field a few days ago.

When the first Leduc field wells were drilled, porosity of the Leduc oil-producing Devonian limestone was estimated at around 15%. Recoverable reserves were later estimated at 10,000 bbls. per acre — or 200 million bbls. on the basis of 20,000 acres of proven oil land. It was thought—and is still thought—that productive acreage will prove much greater than 20,000 acres with a corresponding increase in recoverable reserves.

Now there is the additional evidence which suggests porosity is far greater than 15%—with good chances for upward revision in reserves per acre.

If the 10,000 bbls. an acre estimate had been correct, there were 400,000 bbls. of recoverable oil underlying the 40-acre plot on which the Atlantic well was drilled. But total deliveries of oil from this well up to the end of July amounted to 865,732 bbls. Losses due to evaporation and soil saturation would probably bring this up to over a million barrels, it is thought. And the Atlantic well is still producing in excess of 8,000 bbls. a day with no signs of let-up. While it is thought that Atlantic No. 3 well may result in loss of a couple of neighboring wells, there apparently has been only a very minor loss of pressure at adjacent wells despite the great Atlantic No. 3 production of gas and oil.

Equally surprising is the fact that the Atlantic No. 3 well has not pulled in water—either that pumped down an adjacent Imperial well or underlying formation water. All told, developments suggest that ground in the Leduc sector may prove much more productive than previously thought.

Higher Output Rates?

Various western sources suggest that because of the greater indicated productivity of Leduc, wells should be produced at higher daily levels. There is apparently some possibility of this but there has been no indication from the Petroleum and Natural Gas Conservation Board that any generally higher allowable will be permitted after the Atlantic well is brought under control. Only if greater production can be secured without damage to overall longterm productive potential of the field will higher allowables be permitted, it is indicated. Outside of possibly a few small producers, there appears to be no wish to "high grade" the field.

When The Post visited the field, 8,000 bbls of oil a day from the Atlantic well was being put

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See Beef Famine Unlikely Price Ceilings More So

OTTAWA (Staff) — Officials here are inclined to think all the rumpus over beef prices which has followed removal of the embargo on the export of beef cattle to the United States, will settle down very quickly. So will prices. There is no suggestion yet of reimposing ceilings, nor is it thought Canadians will go short on beef.

Price-wise, things will probably settle down to about another 15c a lb. at retail for a while. Then, with our producers aiding the supply situation in U. S., prices there might quite easily start coming down. At least, that's the way experts here see it.

At the same time, Agriculture Department officials told The Financial Post they could see no reason for removing the export embargo on hogs and pork products. This ban, of course, remains because of our commitment to supply Britain with 195 million lb. of bacon this year, of which 145 million lb. have already been supplied.

The contract comes up for renewal this fall and, contrary to some reports, according to a high official in the Agricultural Department, there is no suggestion here yet of seeking a higher price than the current $36 per cwt.; nor has there been any pressure by the farm lobby to free hogs from the export embargo.

The situation differs radically from the beef situation. At present, the producer seems more satisfied with the stable market offered him under the U. K. contract. Additionally, the U. S. market in hogs has always been subject to gyrations; historically our prices have generally been higher.

Sky is Limit, at Present

In the beef situation, several important factors have not yet been made clear. The quota, for instance, does not as yet exist. Our farmers can, in fact, sell to U. S. markets all the beef cattle those markets will take, until Washington decides to call a halt.

Of what may be more importance, the Geneva Agreements also opened the U. S. market to Canadian dressed beef. Previously the tariff on this was out of

Continued on page 2, col. 6

$80,000 May Be $3 Millions

Young Canadians Sit Pretty With V. D. Film

By RONALD WILLIAMS

Without fuss and fanfare, Canada has produced a smash hit movie on the proverbial shoestring.

It cost only $80,000 and took only 10½ days to make, yet its producers believe it will gross $3 millions, most of it in U. S. dollars.

The film is called, "Sins of the Fathers." It deals with venereal disease in an unusually frank, straight forward and different manner. It is now in its fifth week at Toronto's Royal Alexandra Theatre. Over 40,000 have paid roadshow prices (50c matinee, 75c evenings.)

Distributing rights for Europe, outside the United Kingdom have been sold for $300,000. An extensive U. S. tour begins Oct. 9 in Buffalo. Distributions here, the U. S. and the U. K. will be handled directly from Toronto.

Variety, the national U. S. organ of entertainment, featured the film on Page 1 as the smash hit of Canadian movies.

It packs such a terrific emotional punch, such a tremendous educational impact, that someone faints at every performance. Now nurses are in attendance at shows for women and St. John Ambulance attendants for the men.

(Because of the frankness with which the subject is treated, separate shows are held.)

The film has the endorsation of the Provincial Department of Health, the National Department of Health and Welfare, the Catholic League of Decency and church groups.

However, the film is a purely commercial proposition. It was financed by two Ontario men, Charles Birge and former lawyer William Brunt.

The producing company is Canadian Film Production. It was originally created by the Canadian Government to cash U. S. dollars. (U. S. film companies take $18 millions out of Canada a year in film rentals and Ottawa has been trying to get the industry to spend more here.)

Later, two enterprising young Canadians with visions of a full-fledged Canadian movie business, took over.

One was Larry Cromein, ex-RCAF pilot, whose only previous experience in movie was the production of "Bush Pilot", a Canadian-made "B" now showing in the U. S. and Britain. He is the producer of "Sins of The Fathers." The other Austin Willis, star of the movie, also star of "Bush Pilot", is an established Canadian radio artist.

Into the picture later came Paul Maynard, young Toronto film distributor. He brought his movie know-how, got the producers to inject a little movie "box office" into it and now holds world distributing rights.

"Little Gold Mine"

"It's a little gold mine," he told The Financial Post. "We've got a bear by the tail and it looked like such a little lamb at the beginning."

What makes the success so far achieved remarkable, is the low producing cost and the circumstances surrounding the making.

The idea originated with Cromein and Willis. They had finished "Bush Pilot" and were

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Pace of Business

Papers & western oils moved narrowly higher on Canadian exchanges in a listless week. Golds also edged upward on basis of MSE index, but were off slightly on TSE. A modest rally in New York early this week spurred hope that stock market might soon resume upward course.

Canadian meat stocks held by packers, abattoirs, wholesale butchers, and cold-storage warehouses, amounted to 89,202,000 lb. on Aug. 1 (103,177,000 on July 1, and 68,368,000 on same date of last year).

National Housing Act loan approvals in latest month (June) 11.7 millions for 2,198 units, up 30% in value, 19% in number from a year ago, down a seasonal fraction from May; six months, $46 millions for 8,908 units, up 73% in value, 61% in number.

Canadian wheat stocks in store or in transit in North America at midnight on Aug. 5 stood at 36,291,400 bushels (34,799,400 on July 29, and 53,670,800 on the corresponding 1947 date).

Department store sales, according to preliminary DBS report, jumped 9% in July over the same month of last year (provincial breakdown: Sask. and Alberta up 23%, Maritimes up 22%, B. C. up 15%, Manitoba up 9%, and Quebec and Ontario up 3%).

Canadian population, according to DBS estimate, made a record gain of 301,000 in year ending May 31, bringing total population to 12,883,000.

Farm prices index (1935-39=100) registered a new high of 248.6 in June (238.8 in May and 203.1 a year ago), DBS reports.

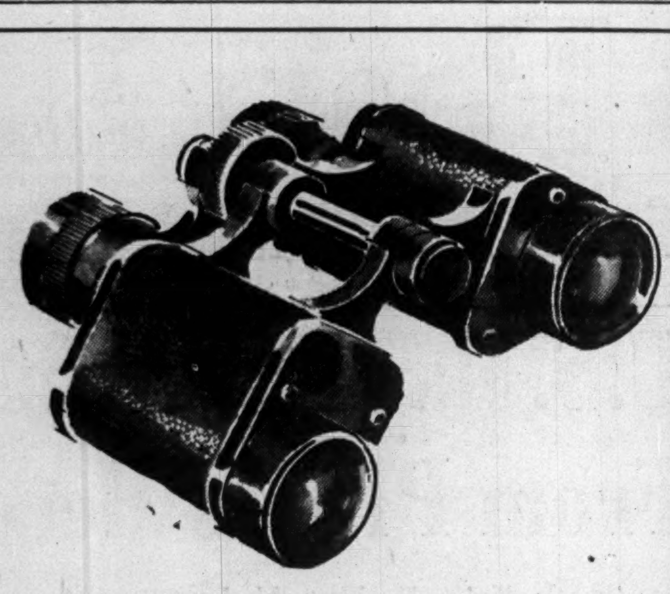
Foreign vehicles entering Canada in July were up 12% over last year, according to DBS (407,884, against 362,638 in July, 1947). For seven-months' period ending July, entries were up 10.8% over 1947 at 911,844.

Carloadings on Canadian railways for week ended Aug. 7 amounted to 73,341 cars (75,968 in previous week and 72,662 in corresponding same week of 1947).

Central electric stations' output totaled 3,724,019,000 kilowatt hours during June (compared with May's record high of 4,077,098,000 and 3,756,104,000 in June, 1947).

Crude petroleum and natural gasoline output reached 917,365 barrels in May (795,724 in April, and 635,354 in May of last year).

Raw cattle hides stocks held by tanners, packers, and dealers totaled 356,800 at the end of June (down 34.5% from June, 1947, figure of 545,200), reports DBS.



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EATON'S

Canada Needs U. K. Denims But Gets Unwanted Prints

Closed Door on U. S. Textiles to Save Dollars; Must Now Write Off Hope of 80 Million Yards Promised From Old Land

OTTAWA (Staff) — Trade officials here are just about ready to write off as a lost hope that 80 million yards of cotton textiles which United Kingdom promised us for this year. Canada simply will not get 80 million yards either of the grey goods she urgently needs as a result of restricted U.S. imports, or the print goods which United Kingdom is sending, and on which no one here is too keen.

All this is a keen disappointment to the Government, which, when it announced a 32% quota on U.S. supplies in the dollar conservation program last November, was confident the leeway could and would be made up by Britain. The question will be discussed with Sir James Helmore, Chairman of the Export Committee of the British Board of Trade on his visit here next week.

While the quota action on U.S. cottons was by no means primarily intended to open up the lucrative market here for British textiles, it was obvious that the action did provide such an opportunity.

It must not be thought, however that the government has any immediate intention of lifting or easing quota restrictions on textiles. This won't be done until the supply situation looks like getting really serious. It is not thought serious now in the overall picture.

Canada Not Hard Up

The record has been most disappointing and, despite frequent visits here by the British in the last year and to Britain by Canadian trade officials, the attitude still seems to persist in the British Government mind and those of most manufacturers, that Canada is in such dire need that anything will go—price, styling, color, delivery dates, regardless.

The reverse, of course, is the truth. The only serious shortage in the cotton textiles field in Canada is in denims; and of these goods we are getting a pitiably poor supply from United Kingdom —about one-fourth of prewar goods, whereas the supply of prints is nearly up to prewar level.

Recent figures published by the British Board of Trade indicated that for the first six months of this year, supplies of cotton textiles to Canada totaled 12.6 million yards. It was further stated that another 25 million yards had been allocated for the third quarter, and that supplies would continue at the rate of 80 million yards yearly.

The figure given for the first six months is not quite accurate. Officials here say it appears to be based on export permits issued by U.K. authorities. In other words, this 12.6 million yards consists of everything promised but not actually delivered up to the end of June.

Prints Must Improve

Concern over the grey goods situation is readily understandable when it is realized that present supplies of these goods, for which the United Kingdom has been the traditional supplier, are running at only six million to seven million yards, as against 50 million yards prewar.

In prints, it is considered here that unless there are some radical changes in British stylings and colorings, even supposing that U.K. prices get down to a real competitive level, the British will have very tough sledding in this market.

It is admitted that the U.K. manufacturers are having considerable trouble, what with obsolete factory equipment and labor trouble arising from a peculiar wage structure; but it is also felt the British certainly are not being any too aggressive in their approach here. In fact, after all the effort put in, by both government officials and industry leaders in constantly putting our need before the British, it is felt that the latter just don't care.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Acme Steel Co. of Canada — J. K. Corley, president; C. J. Sharp, J. E. Ott, vice-presidents.

Aluminum Co. of Canada — P. E. Radley, assistant general manager, in charge of engineering, purchasing and traffic; W. L. Pugh, chief engineer.

British American Silk Mills Ltd. —Geo. H. Shutt, president and managing director.

W. J. Bush & Co. (Canada) — Dr. Ernest Martin, technical representative, Toronto laboratories.

Carnation Milk Co. — C. W. Chorley, sales manager, Canada and Newfoundland; J. A. Irwin, western divisional manager, Vancouver.

Canadian Labor Relations Board —Mr. Justice G. B. O'Connor (Edmonton) chairman; A. H. Brown (Ottawa) vice-chairman; W. L. Best (Ottawa), A. R. Mosher (Ottawa), J. A. D'Aoust (Wrightville, Que.), G. Picard (Montreal), E. R. Complin (Montreal), A. Deschamps (Montreal), A. J. Hills (Ottawa), H. Taylor (Toronto) members.

Canadian National Railways — Lawrence William Matson, construction superintendent.

Canadian Teachers' Federation — C. J. Oates (Vancouver) president; Bernice MacNaughton (Moncton) vice-president.

Sidney Roofing & Paper Co., Vancouver, announces the retirement of Patrick W. Field as general sales manager.

Credit Interprovincial Ltée. (Montreal) — Gaston Thibodeau, vice-president.

Distillers Co. of Canada—Dugald Gilespie. president.

Dominion Government — Alex Skelton, assistant deputy minister, Trade & Commerce Dept.. in charge industrial development, public projects, economic research, commercial relations, foreign tariffs.

Grolier Society Ltd. — A. E. McBride, chairman of board; C. W. MacDonald, president.

Insurance Co. of North America (and affiliated companies)—James Symington. manager, Maritime department (Moncton).

Italian Government—Italo Rader, consul in Vancouver (territory covering British Columbia and Alberta).

John Inglis Co. (Toronto)—Douglas O. Durkin, director of public relations and advertising.

LaSalle Builders Supply Ltd. — C. B. Sewell, treasurer and a director.

Merck & Co. — Thos. H. Paaske, sales manager.

Norwich Union Life Insurance Society — J. R. Halls, secretary for Canada.

Placer Development Ltd. — Chas. Clark, secretary.

Ottawa Transportation Commission — David N. Gill, general manager.

Ontario Mining Association — R. L. Healy, president; J. R. Gordon, W. S. Row, vice-presidents.

Old Comrades Brewery, Ltd. (Windsor) — John J. Martin, sales manager; Harry A. Drouillard, assistant sales manager.

Rogers Majestic Ltd. (and Rogers Electronic Tubes Ltd.) — E. A. Ainsworth, purchasing agent; R. H. Rogers, co-ordinator of commercial and technical planning.

T. S. Simms & Co. — W. M. Oliver, Ontario division manager.

United States Government—Laurence Steinhardt, ambassador to Canada.

Westeel Products Ltd. — W. A. Rozon, Maritime manager (Moncton).

Walwyn, Fisher & Co. (Toronto) —Thos. E. Rogers, an associate; Murray M. Kilgore, manager, bond trading department.

New Unemployment Insurance Rates and Benefits in October

OTTAWA (Staff)—Employers will be paying out more in unemployment insurance after Oct. 4, when new rates and new benefits become effective under the Act as amended at the last session of Parliament.

Principal change is that a new class of employees becomes eligible: anyone earning more than $34 a week. The employer's contribution in this case will be 42c a week (the same as the employees').

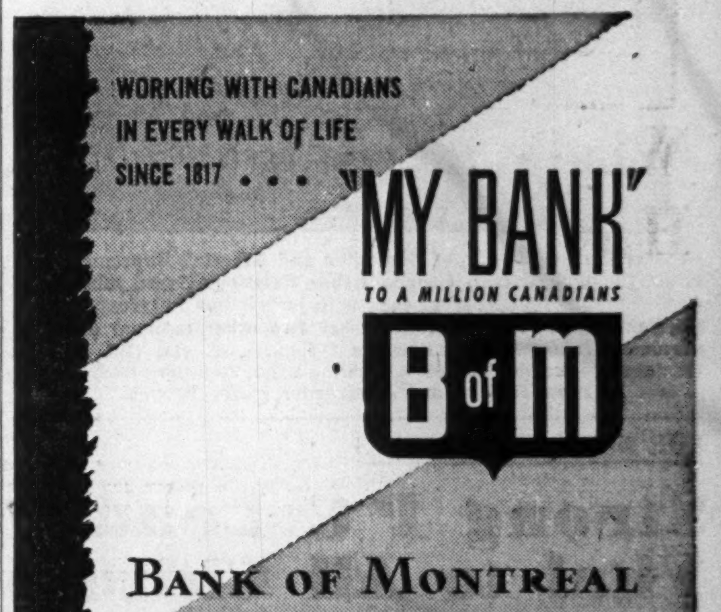
Other changes are: (old rate in brackets):

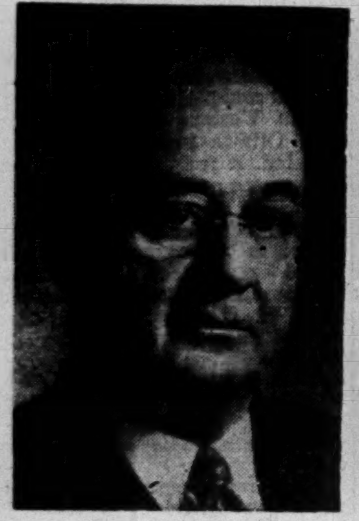
Class	Class of Employed Persons	Weekly Rate Employer cents	Weekly Rate Employee cents	Value of Weekly Stamp cents
0.	While earnings less than 90 cents a day or while under 16 years of age ...... (*Paid on his behalf by the employer)	9....(18)	*9....(9)*	18....(27)
1.	Weekly earnings ..... $5.40 to $7.49	18....(21)	12....(12)	30....(33)
2.	" " ..... $7.50 to $9.59	24....(25)	15....(15)	39....(40)
3.	" " ..... $9.60 to $11.99	24....(25)	18....(18)	42....(43)
4.	" " ..... $12.00 to $14.99	24....(25)	21....(21)	45....(46)
5.	" " ..... $15.00 to $19.99	24....(27)	24....(24)	48....(51)
6.	" " ..... $20.00 to $25.99	30....(27)	30....(30)	60....(57)
7.	" " ..... $26.00 to $33.99	36....(27)	36....(36)	72....(63)
8.	" " ..... $34.00 or more	42....(..)	42....(..)	84....(..)

New stamps will be issued in Sept. Benefits to the new class of insured employee will be:

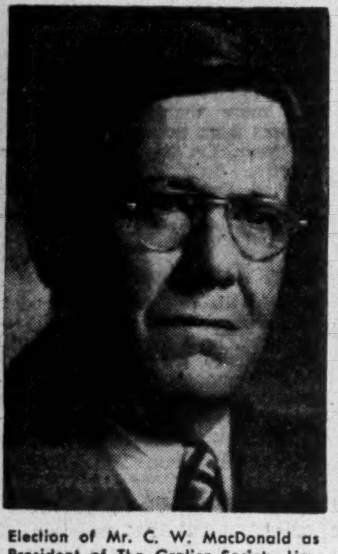
Single rate: $14.40 a week; dependency rate: $18.30.

Other benefits are also boosted. Under the present scheme, the amount of benefit is determined by multiplying the average daily rate of contribution for the last two years by 40. In the new scheme it is 45 times (less 10%) the employee's contribution for the previous 180 insured days.





Mr. A. E. McBride, veteran Toronto publisher, whose election as Chairman of the Board of The Grolier Society Limited was announced yesterday.



Election of Mr. C. W. MacDonald as President of The Grolier Society Limited to succeed Mr. A. E. McBride who was named Chairman of the Board was announced yesterday. Mr. MacDonald and Mr. McBride organized The Grolier Society Limited in 1912. *

PRICES

(Continued from page 1)

vert the present dip in U. S. cattle prices into a long-term trend. The other factors: seasonal marketing increase as cattle come off grass, the big corn crop, and larger cold-storage reserves. Under such conditions, Canadian prices would inevitably come down and the two countries would be linked in fairly comparable price levels.

Moreover buyer resistance is getting stronger daily. Canadians have been balking at high meat prices for some time now. U. S. resistance is on the rise, with consumer groups applying mass pressure in almost all larger municipalities.

Automobiles provided the other price story of the week, as the "big three" announced new increases, partially offsetting earlier reduction due to excise tax cuts.

Increases, blamed on rising cost factors, made by Ford, G. M. and Chrysler still did not bring prices up to the taxed price level of last month.

Ford's increase ranged from $110 to $200 on passenger car and truck models. Chrysler prices jumped approximately 8% on cars and 4% to 5% on trucks. G.M.'s went up around 8% on cars and slightly under 5%.

V.D. Film to Net $3 Million U.S.?

(Continued from page 1)

looking for another. Cromein thought a good up-to-date movie on V. D. would do the trick.

He went to Ottawa, got the cooperation of Rt. Hon. C. D. Howe, Hon. Paul Martin. He got rights to anti-V. D. films made for the armed services by Ottawa. Then he enlisted their help in getting some excellent movies on the subject which the U. S. had made for its troops.

With these clinical sequences for a basis, Cromein and Willis moved to St. Hyacinthe, Que. and used the facilities of another Canadian movie firm, Quebec Productions, (it made "Whispering City") to weave it into a dramatic story.

Willis and Joy Lafleur (also featured in "Whispering City") act the part of a young couple in a small town, both with V.D. They go to a crusading young doctor for treatment. Before they get it, he shows them photographs of the physical havoc V. D. wreaks.

Then the movie fades into the clinical sequences. These include the birth of a baby; some shocking shots of syphilitic babies. At the conclusion of the movie which runs 80 minutes a "sexologist" delivers a 15 minute lecture.

The film was directed by Phil Rosen, who was imported from Hollywood. Except for this, the whole production was Canadian from start to finish—even to enlarging the 16 m.m. film clinical sequences to regulation theatre size. This was done by Audio Studios, Toronto.

Wild Well Data Stirs New Hope

(Continued from page 1)

through the pipeline to Nisku with all production above 8,000 bbls. a day from this well being returned underground through other Atlantic wells. A total of 4,000 bbls. of oil a day was being trucked from the field to the new Imperial refinery at Edmonton where it is being handled in a distillation unit. The Edmonton refinery will handle about 6,000 bbls. a day at the end of this year when the cracking unit is brought into play. While the former Canol refinery is the "most travelled" on the continent, it is comprised of excellent equipment, in surprisingly good condition. Everything is being done to make the Edmonton refinery extremely efficient. Other equipment, to be installed later, will bring capacity up to 11,000 bbls. daily.

Shortage of tubular goods, chiefly casing, is the present limiting factor on expansion of Leduc field production. But nevertheless, drilling of wells is continuing at a good pace and the ability of the field to produce at a higher rate is growing rapidly. Thirty rigs are at work including 17 under contract to Imperial Oil.

With greater pumping equipment, the pipeline to Nisku can handle 30,000 bbls. a day and the pipeline to the Edmonton refinery is now welded half way to its goal. Latest technique with pipelines is to weld them above ground, then to slide them into their trench ready for "burying." When the Nisku pipeline was put through the farmers received $125 an acre indemnity for interference with their crops and possible loss of productivity of ground along the pipeline route. From personal observations, however, it now appears that crops along the pipeline route are even better than elsewhere. Eventually, it is planned to ship perhaps as much as 30,000 bbls. daily to the Imperial Regina refinery via pipeline. But this may not come until 1950 or later.

Streets are being laid out for the new oil town of Devon. An entire business section is planned. But at present the townsite is still in the very early stages. There are good reasons for thinking nevertheless that Devon will in time develop into a model western city on the south shore of the Saskatchewan River. Leduc is located in one of the best farming sections of Alberta. Imperial Oil, and no doubt others, plan to interfere with farming just as little as humanly possible. Farmers will be able to farm right up to within a couple of yards of the "Christmas tree" control heads on the wells. (Derricks are removed after a well is finished drilling). Underground lines carry oil to "batteries" and battery enclosures (where oil and gas are separated), will be grassed with cement walks between units of equipment. Eventually arrangements will be made to utilize gas or return it to formation.

Austin Assembly In Hamilton, Ont. By Xmas Is Plan

Canada's first British automobile branch plant—Austin Motor Co., Hamilton, Ont. (The Financial Post, June 12)—is announced as preparing to be in at least partial production in an assembly operation by year-end. Austin, company and Ontario government officials revealed this week has bought from War Assets Hamilton's former Libbey-Owens glass plant on Kenilworth Ave., bought or optioned 100 surrounding acres, has en route from Britain or on order here $750,000 of assembly equipment.

Something like 800 to 1,000 may be employed assembling 200 to 250 cars per 44-hour single shift week, with gradual increase in employment and pace to 500 cars a week. An earlier proposal to set up a plant in Brooklyn, N.Y., is understood shelved and the Hamilton plant is to supply Canada, U. S., other Western Hemisphere and Orient markets. Manufacture of a wholly Canadian Austin is contemplated for the future.

Beef Famine Seen Unlikely

(Continued from page 1)

line with that on live cattle. As a result the Canadian farmer benefited but not the Canadian packing industry.

The stated "quota" of 400,000 head of cattle was set under the Geneva agreement, merely for tariff purposes; that is, the first 400,000 head would be allowed into the United States at a preferred rate of 1½c lb. live weight; any after that would be charged 2½c lb. However, in 1942, the late President Roosevelt's Administration suspended the law by which such quotas are operated and, despite the Geneva agreements, that law is still in suspension.

What is most likely to happen as a result of lifting of the beef embargo, is that Canadians in this coming year may be eating less of the really choice quality cuts, which will find their best market in U. S.

(Advertisement)

Consult Canadian Sirocco to get smooth power transmission or stepless adjustable speed control with Gyrol Fluid Drives. And for all your air handling, heating, cooling and drying needs as well. Branch offices in principal cities. Canadian Sirocco Company, Ltd., 310 Ellis Street, Windsor, Ontario.

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GRADUATE ENGINEER who has had practical experience working in paper mills and who is familiar with papermaking machinery and equipment. This man required for engineering, shop and sales promotion work.

Attractive salary, excellent prospects.

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Obituaries

Claude McAlpine, K.C., 55, Vancouver barrister (Farris, Farris, McAlpine, Stutz, Bull and Farris).

Ernest Edward Perley, 70, Regina, M.P., for Qu'Appelle. 1930-1945.

Harry Hayward Love, 74, Toronto, chairman of board, W. J. Gage & Co.

William J. Caffrey, 44, Toronto, comptroller, F. P. Weaver, Coal Co.

Frederick Churnside, 48, Albany. N.Y., former district freight agent, Lehigh Valley Railroad, Toronto.

Look For It Here

Aug. 21, 1948

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GEORGE C. HITCHMAN

who has recently been appointed manager of the London, Eng., Branch of The Bank of Nova Scotia. *

Will U. S. Help Our War Plants

(Continued from page 1)

like standardization, because very big industrial interests are involved and whatever standard is decided on must involve heavy capital expenditures for retooling in many plants. Equally, such retooling would prove onerous both here and in Britain. It's coming, but slowly.

As to Newfoundland bases, it can be stated quite simply that, having taken over the property and all the strings attached, we're going to honor the disposer's (i. e. Britain's) previously made bargains.

In the meantime, we're looking, not a little fearfully, to the insecure walls of Western Europe.

And by now, via Mr. Forrestal, Washington must know how thoroughly important we deem it to shore up those walls.

Provincial Groups At PC Convention

When the Progressive Conservatives meet in Ottawa Sept. 30, Oct. 1 and 2 to elect a new leader and consider their party platform, the approximate representation by provinces will be as follows: The Saskatchewan total published Aug. 14 was in error.

	Ex-Officio	At-Large	Riding	Total
P. E. I.	12	7	12	31
N. S.	7	17	39	63
N. B.	14	15	30	59
Que.	18	85	219	322
Ont.	119	97	249	465
Man.	26	20	48	94
Sask.	9	25	60	94
Alta.	4	21	51	76
B. C.	26	23	54	103
Yukon	2	1	3	6
	237	311	765	1,313

In addition, there will be 765 alternate delegates, entitled to be seated in the event of the absence of a riding delegate, for whom he alternates.

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A Residential School for Girls
Founded 1877. For illustrated Prospectus with full information regarding courses, fees and College life, write to the Principal.
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CONSUMER CREDIT specialist seeks greater opportunity. Can assume control of or build credit department as desired. Married, age thirty. Box 84, The Financial Post, Toronto.

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YOUNG MAN. Well qualified to meet public with definite business and private secretarial background. Experienced in personnel evaluation, advertising, marketing and promotional research. Accustomed to responsible position. Desires employment where demonstration of merit and acquisition of experience will lead to future opportunity. Aggressive, capable and thoroughly reliable. Free to travel. Outstanding references. Box 83, The Financial Post, Toronto 2, Ont.

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EXCELLENT EXPERIENCE manufacturing, chain stores, stock brokers and insurance. Desires post with real scope and prospects. Box 199, The Financial Post, Toronto 2, Ontario.

COMMERCE GRADUATE AVAILABLE TEN YEARS' EXPERIENCE in sales and market analysis, sales administration and office supervision. Employed at present but desires permanent position in Toronto district with more promising future. Box 89, The Financial Post, Toronto.

INTERNAL AUDITOR—Willing to travel—presently with chartered accountants. Knowledge of costs and sales supervision (Dartnell) seeks opportunity with private enterprise. Box 34, The Financial Post, Toronto 2.

BUSINESS OPPORTUNITIES

WINNIPEG FIRM interested in manufacturing. Has excellent facilities. 7,000 sq. ft. covered space. Trackage. Ample room for expansion. Mechanical staff already organized, machine shop, office staff, and substantial marketing potential. Would undertake light or heavy manufacture and would be willing to invest additional capital if necessary. Reply Box 76, The Financial Post, Toronto.

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LARGE CORNER STORE, situated in main shopping district, Timmins, Ontario. Formerly used as departmental store. 2,300 square feet Main Floor and 1600 square feet Basement. Good opportunity for any kind of business. Box 67, The Financial Post, Toronto.

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CAPITAL WANTED

FOOD PRODUCT manufacturer shipping coast to coast from new modern plant requires additional working capital up to $5,000 for expansion to meet demand. Investment or loan. Box 91, The Financial Post, Toronto.

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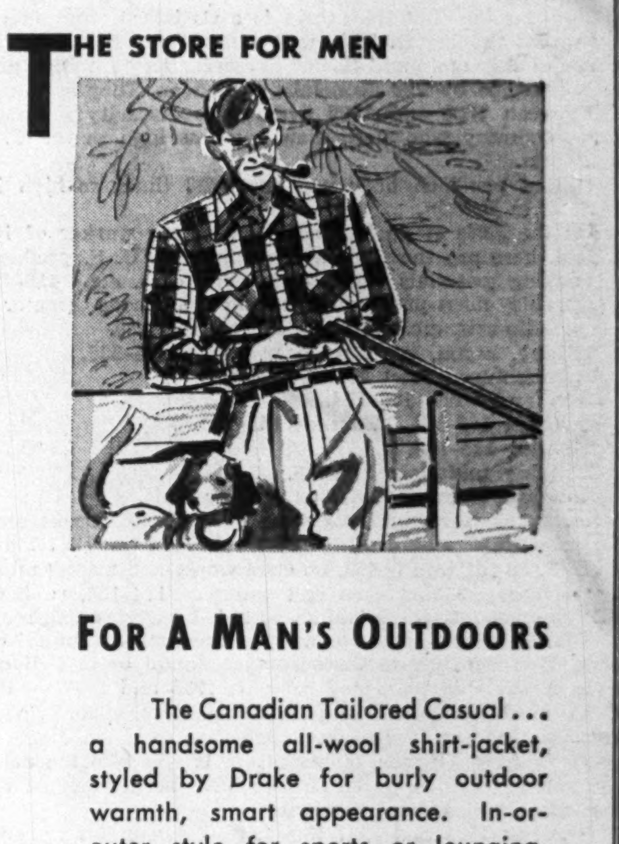

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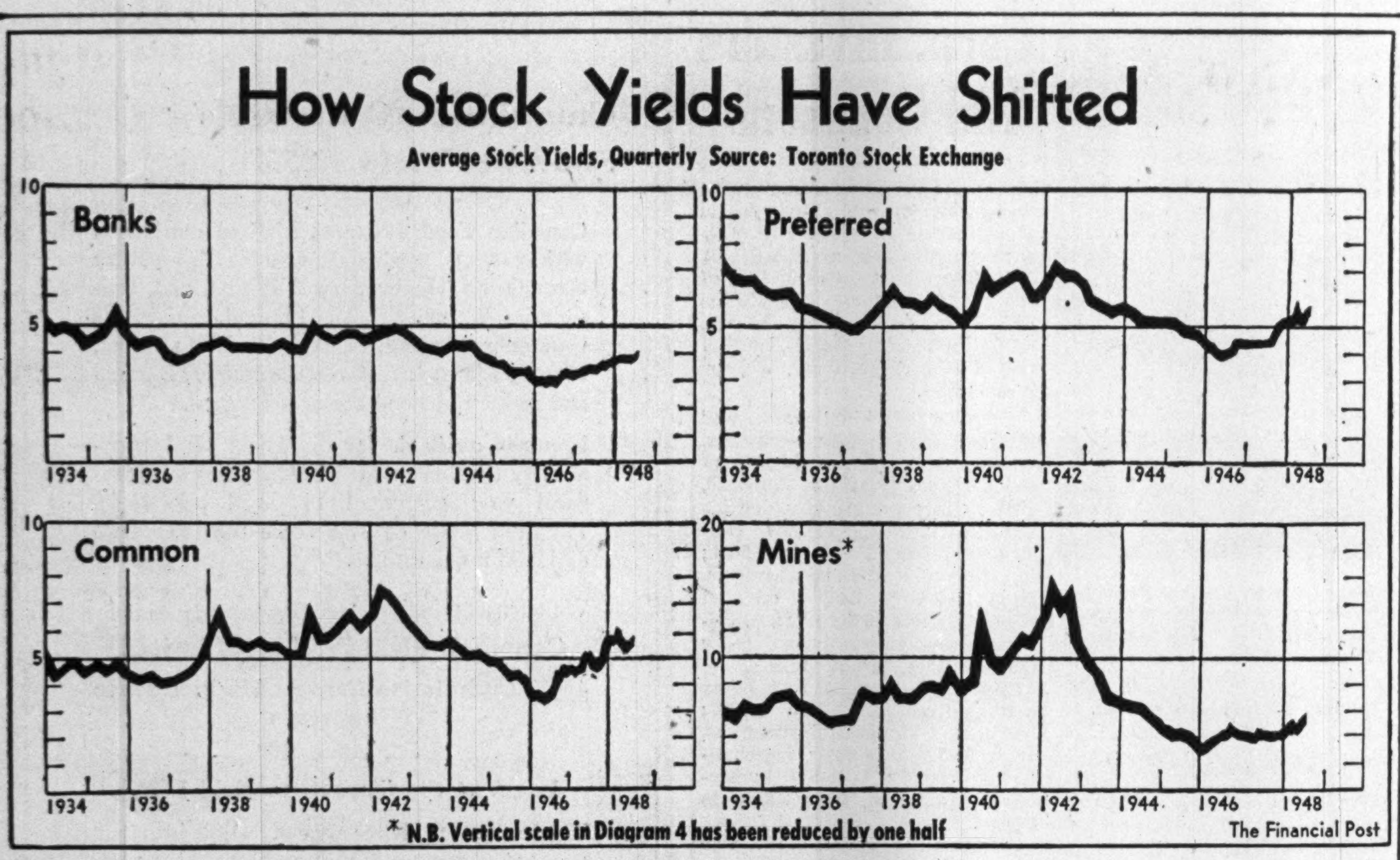


What's the Trend in Stock Yields? Here Are Factors in Investors' Moves

By JAMES H. JOYCE

Stocks and bonds are today a better buy for income purposes than at the end of 1947. That's no guarantee as to what the future holds pricewise, but The Financial Post here analyzes the increasing yields of four different stock groups and discusses some of their possibilities.

Yields obtainable on preferred bank, common and mining stocks have all been increasing in the past two months after declining from their March highs during April and May. Yields are now higher than at the end of 1947. Mining stocks yielded 27.7% more than at the year end, bank stocks 5.2% more, preferred stocks 3.9% more and common stocks 1.1% more.

In view of the good earnings reports from many companies, what is the reason for this? The trend toward higher yields on stocks started with the market decline in 1946. At that time the unsettled world conditions and fear of a business depression were said to be the main factors for the decline.

Uncertainty still remains the dominant factor affecting investors' decisions. The main reasons:

(1) The international situation and particularly the lack of any news as to the progress at the meetings of British, French and U. S. envoys with Stalin at the Kremlin.

(2) Prospect of further inflation in the United States and Canada.

(3) Raising of the interest rate on short-term government bonds in the United States bringing renewal of the fear that the long-term rates may also be upped from present support levels both in the United States and in Canada. In Canada, the support level for government bonds has been dropped twice this year.

(4) The appearance of some soft spots among commodity prices in the United States.

Also a factor for some common stocks has been the increased dividend payments which have not been reflected by corresponding increases in prices. The Nesbitt Thomson index of dividend payments reached a new high of 201.8 in July, which compares with 183.1 last December. There has been a rise in the index each month for the past 24 consecutive months. (The average for 1935-39 equals 100.)

Comparison with Dominion Bonds

One important factor affecting investors' decisions may be seen in the difference in return between the yields on stocks and that on Dominion of Canada bonds. As a result of the higher rate of return now obtainable on Dominion bonds as compared with last December, the difference between the yield obtainable on common stocks and that on Dominion of Canada 3% perpetuals is now slightly less than at the end of December, 1947. The 2.76% better return available from common stocks compares with a yield differential of 2.89% at the end of 1947 and is three times the yield differential of 0.92% in May, 1946 when common stocks were selling at their highest. It is about 2.6 times the yield differential at the high price for stocks in 1947.

DIFFERENCE IN YIELD AS COMPARED WITH DOMINION 3% PERPETUALS

	Aug. 1948 %	Dec. 1947 %	Dec. 1946 %	At 1946 Low Yield %	At 1937 Low Yield %	Change from 1946 Low %
Preferred	2.54	2.54	1.79	1.40	1.90	+ 81.4
Banks	1.01	1.08	0.60	0.36	0.75	+180.6
Common	2.76	2.89	1.97	0.92	1.07	+200.0
Mines	2.76	1.71	1.78	0.82	2.23	+236.6

The yield obtainable on Dominion of Canada bonds—the safest of all securities—is an important factor for all investors. The current yield of 3.01% at the offered price on Dominion of Canada 3% perpetuals (the best issue for comparison with stocks) is about 10.7% above its 2.72% level of December, 1947, but is still below its 3.09% level of early 1937.

The Mining Stocks

The biggest change in the return obtainable from stocks since the market high of May, 1946, is in the mining stock group. This group also shows the sharpest swings. Yield on the group of mining stocks has increased 27.7% from the end of 1947. Mining stock yields increased 43.7% from their February, 1946 low of 3.55% to their September, 1946 high of 5.10%. Then, after returning to a 4.10% basis in February, 1947, the yields fluctuated up to a 4.45% basis at the end of June, dropped to 4.05% by the middle of November and since then have gradually moved up to their present level of a 5.77% basis. At the current level, mining stock yields average 8.4% above their 5.32% low level of October, 1936.

Recurring rumors of various types of relief for the gold mines, a change in the price of gold, etc., together with disappointment over the announcements to date together with the increased costs have caused the wide fluctuations in the price of mining companies stock. Revaluation of the Canadian dollar to parity with the United States dollar was the main cause of the original larger drop in mining stock prices.

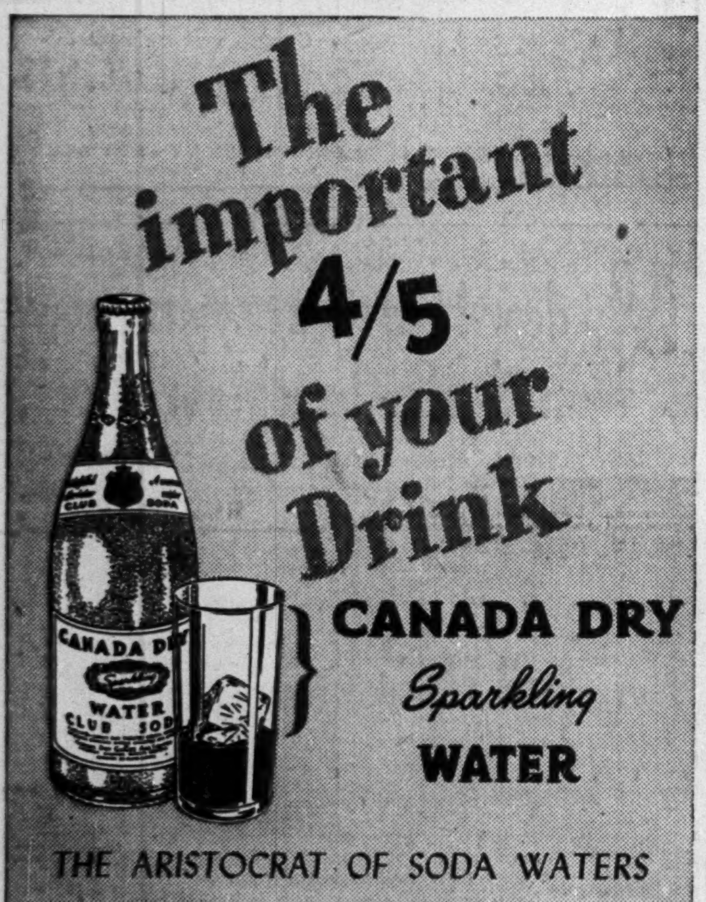
Common Stock Yields

Common stock yields, now at 5.77% level for the group, are 58.1% higher than their 3.65% low of May, 1946 but only 1.1% higher than their level at the end of last year: The yield on this group shows the smallest change since the year end. The yield on this group had climbed to a 6.29% basis by mid-March, been reduced to a 5.42% basis by mid-June and has since been increasing. Their yields dropped 31% between May and December, 1946 to a 4.78% level, recovered slightly to a 4.58% basis in January, 1947, then dropped to a 5.12% basis by the end of May, 1947. At the current level common stocks yield 38.7% more than at their 4.16% low yield of October, 1936.

Common stocks now yield 58.1% more than in May, 1946, although the Dominion Bureau of Statistics index of all stocks is only 9.3% under its 1946 high.

The bank stock group shows one of the best records although the yields in this group have dropped 5.2% from the level at the end of last year. Bank stocks established a new low yield for the period charted at 3.09% in February, 1946. Yields on bank stocks then dropped 12.9% to a 3.49% level in October, 1946 and recovered to a 3.30% basis by the end of 1946 but slid off to around a 3.50% level by the end of April, 1947 where they held until the middle of September. Then they dropped off gradually to a 4% basis by the end of March, 1948, recovered slightly but are now back to a 4.02% basis.

The preferred stock group was quite weak earlier this year with its yield going to a 5.84% basis by the end of March. Part of the weakness reflected the dropping of support levels for Dominion of Canada bonds, part was due to the other uncertainties. After March, the yield on this group improved to a 5.39% level by the end of May, but has slid off since to a 5.55% basis—a 3.9% higher return than was obtainable at the end of 1947. The average yield on the preferred stock group only rose 10.4% from its June, 1946 low of 4.13% to its September, 1946 level of 4.56%. But after steadying and declining later in the year, the group's average yield slipped down in the first six months of 1947 to a 5.10% basis, improved slightly to the middle of August, 1947 and then dropped to a 5.35% basis at the year end. The present average yield on the preferred stocks is 34.4% above its 4.13% June, 1946 low; 11.8% greater than its 1937 low of 4.97%.



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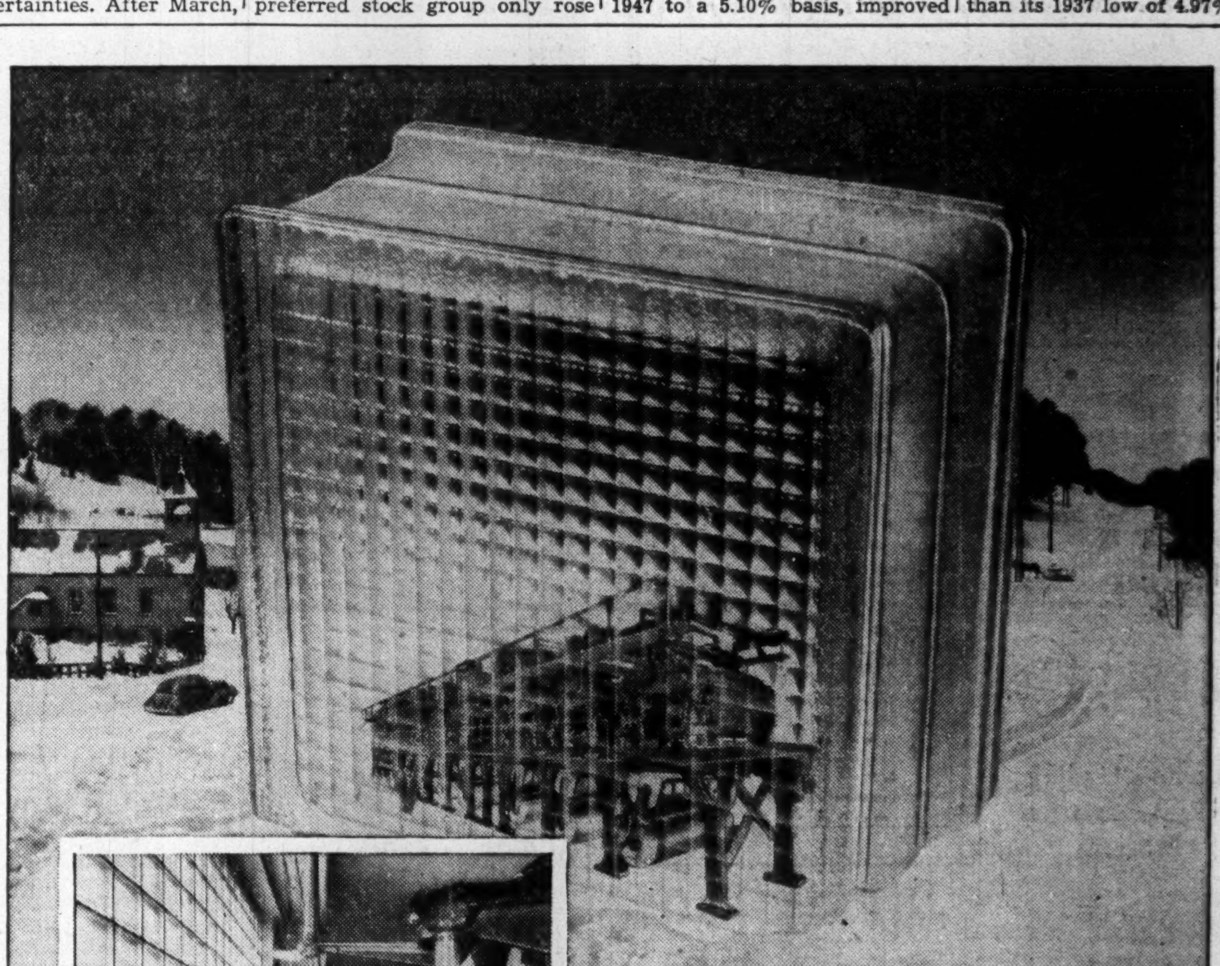

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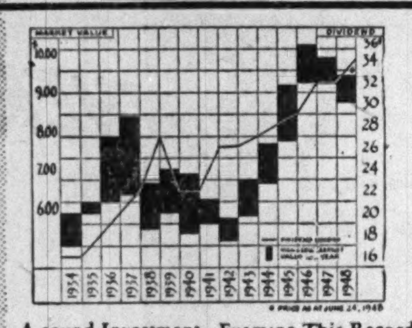

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INVESTMENTS THIS WEEK

Ten Stock Groups Hold Up Better Than the Average

Canadian and U. S. stock markets are continuing their downward drift, with trading volume remaining light. Investment opinion seems divided on the immediate future: some analysts feel that the light volume indicates that the stock market is in a good position for an upward movement this fall providing the uncertainties, particularly in the international scene, are clarified favorably. Others still await a bear market.

As a result of uncertainty and indecisiveness, the prices of Canadian stocks have drifted down an average of about 7.1% in the past two months as measured by the DBS Index of Security Prices. The various stock groups, however, show different results.

One group—the bank stocks—is higher than its level of two months ago. This group has shown good resistance to market decline from its 1946 high and the current strength would seem to reflect optimism over the earnings results likely to be shown this year.

Nine other groups—machinery and equipment, pulp and paper, milling, textiles, food, beverages, building materials, telephone and telegraph, and power and traction stocks—have held up better than the 7.1% drop in the average for all stocks. The second best resistance to the declining trend has been shown by the telephone and telegraph stocks and the power and traction company stocks. These latter are normally fairly stable stock groups.

The largest decline in the past two months (19.3%) is shown by the transportation stocks. The biggest factor here is the drop in CPR common from $21¾ a share at the middle of June to its current level of about $17½ a share, partly due to the fear of the effect of the new wage increases on earnings. A contributing factor to the average's drop was the weakness in Canada Steamship Lines common, which dropped $1 a share to $12 a share in the same period.

Second largest percentage drop of all the groups is shown by the oil company stocks, whose average dropped 10% in the last two months. This group had shown a good rise earlier this year and the current drop probably represents a reaction from the earlier rise.

The industrial mines group is the only other group to show a larger than average decline in its index, a drop of 8.4% in the two months.

The little buying evident has been quite selective, with investors watching the market closely. Variations in the action of the indices only indicate a group of stocks to investigate. An investor's real opportunity for profits lies in his selection of the individual stocks. Investors are watching the international situation and the trend in bond prices closely, as well as keeping an eye on earnings ratios and yields, according to brokers. These factors are expected to play an important part in stock actions. Stocks generally are still cheap on the basis of last year's earnings and indicated earnings for this year, analysts feel.

The DBS indices movement over the past two months shows as follows:

Group:	Aug. 12	June 17	Decline %
Mach. & equip.	235.3	247.9	5.1
Pulp & paper	271.5	278.2	2.4
Milling	108.7	112.5	3.4
Oils	72.8	80.9	10.0
Textiles, etc.	215.9	223.0	3.2
Food, etc.	113.8	116.6	2.4
Beverages	297.8	319.0	6.6
Build. materials	137.1	144.2	4.9
Ind. mines	101.3	110.6	8.4
Utilities	122.2	133.1	8.2
Transport	186.9	231.6	19.3
Tel. & tel.	108.4	110.0	1.5
Power & tract.	106.2	108.0	1.7
Banks	125.6	123.8	†1.5
Total	112.7	121.3	7.1

†Increase.

* * *

Annual Reports

Some of the items that large stockholders and security analysts would like to see in annual reports, according to the Controllership Foundation, Inc. survey, are:

1. More details concerning contingent liabilities;

2. Comparative income statement and balance sheet figures going back at least two to 10 years;

3. Additional data on labor costs, wage rates, labor policies and the like;

4. Greater information concerning reserves and inventories, and the methods used in calculating such items;

5. A breakdown of total income to show the sources from which it is derived and more data concerning over-all operating costs;

6. A reconciliation of the figures contained in income tax returns and those published in the annual report;

7. The extent, if any, of "hidden reserves."

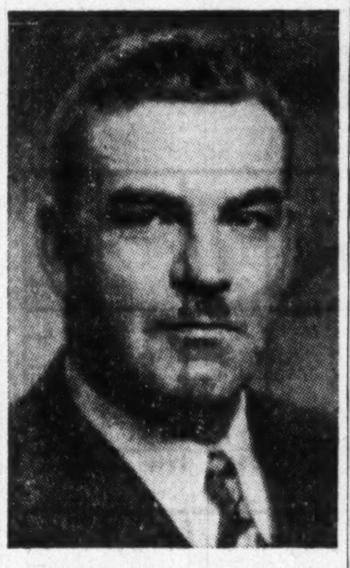
* * *

Loblaw Groceterias Co. has expanded and brightened its annual report for the year ending May 29, 1948. More pictures are used and portray features of the company's expansion and modernization program. Remarks cover most phases of the operations and the report includes two maps, one showing the location of the company stores throughout Ontario, the other the location of the 55 stores in the Toronto area. The report also pays special tribute to J. Milton Cork, chairman, who recently celebrated his 78th birthday. This marked for him the completion of over 60 years of service in the food industry. He was a co-founder with T. P. Loblaw of the present business.

* * *

British Columbia Packers Ltd. 20th annual report for the year ended April 30, 1948 is attractive in appearance and well illustrated with pictures of the company's operations and of products. It contains a comprehensive review of the B. C. fishing industry which is instructive and useful both to shareholders and to others interested. Each $100 of sales went $63.50 for fish and labor, $23.50 for materials and services, $2 for depreciation and $5.50 for taxes, which left a net profit of $5.50 of which shareholders received in dividends $1 while $4.50 was left in the business.

* * *



WILLIAM STANLEY ROW

manager of Kerr-Addison Gold Mines Ltd., has been elected second vice-president of the Ontario Mining Association.

Loblaw Groc. Advocates Publishing Sales Figures

Loblaw Groceterias Co. is one company which believes in publishing sales figures. Its report states:

"The recent proceedings of the Special Committee on Prices at Ottawa disclosed that there can be serious misconceptions on what constitutes a proper margin of profit in relation to the volume of business transacted. Your company believes that popular misunderstandings as to large profits can be dispelled by publishing sales figures along with the costs of merchandise and the expenditures necessary to carry out operations."

This is a sound principle which other companies might do well to follow.

In the last fiscal year each $100 of Loblaw's sales went $83.10 for merchandise; $9.45 to employees; $2.16 for occupational expenses; $1.89 for miscellaneous expenses and $1.34 for government taxes with $2.06 representing profit, of which $1.56 was paid to shareholders and $0.50 left in the business. The company's increased profits in the last fiscal year were due to the large jump in dollar sales (see annual report, page 12) as its margin of profit ($2.06) was 9.3% lower than the previous year's margin of $2.27 per $100 of sales.

* * *

Costs Apparently Cut By B. C. Packers Ltd.

The record net profit of British Columbia Packers Ltd. for the fiscal year ended April 30, 1948 (see annual report, page 17) would appear to come from a reduction of costs per unit of sales from the previous year. The company's sales were up 8.4% for the year but its net profit was up 143.2%.

Costs expended for fish and labor and for materials and services took only 87.0% of the sales dollar in the 1947-48 fiscal year, as compared with 92.6% of the sales dollar in the previous fiscal year and with over 91% for the four previous fiscal years. Reflecting this, the company's net profit was 5.5% of net sales or 2.3 times the previous year's rate of 2.4%.

B. C. Packers net profit was equivalent to $5.59 ($2.28) a Class A share and to $4.84 ($1.53) a Class B share. The company's Class A stock is currently selling around $13¼ a share where it yields about 5.76% on the basis of its 75c cumulative preferential dividend rate, while the Class B stock is selling around $8 a share, where it yields about 6.25% on the basis of the indicated annual dividend rate of 50c a share. The Class A stock is convertible into Class B stock on a share-for-share basis.

Corp. Investors Add Commons

Continuing trend toward greater investment in common stocks was shown by the annual report of Corporate Investors Ltd., listing securities held as at April 30, 1948. The report shows 59.44% of the portfolio in common stocks, 39.77% in preferred stocks and 0.79% in bonds (45.20%, 50.39% and 4.41% respectively, a year previously).

Greatest individual change was in pulp and paper securities, which now represents 16.17% of the portfolio (9.12% at April 30, 1947). Other groups in which investment increased included construction, from 2.07% to 3.25%; mining, gold and base metals, from 3.03% to 8.62%; oil and rubber, from 6.93% to 7.99%. Decreases were shown in food, grain and milling, from 16.98% to 12.50%; government and other bonds, from 4.16% to 0.79%; banks and financial institutions, from 6.55% to 4.68%; merchandising, from 7.61% to 6.00%; electrical equipment, from 2.65% to 0.54%.

Breakup value of stock was down only slightly from previous year end, at $8.55 per class A share against $8.81. Dividends during the fiscal year just passed totaled 34c a share (32c).

The following changes occurred during the year:

New Securities Added

Preferred Stocks

Abitibi Pr. pfd.	Br. Rubber 5% pf.
Abitibi $1.50 pfd.	Gt. Lakes Pa. pf.
B.C. Power A	

Common Stocks

Dom. Stores	Minn. & Ont. Pap.
Gypsum, L. & Ala.	Noranda Mines
Hudson Bay M & S	Price Bros.
Maclaren P. & P.	Stedman Bros.
Massey-Harris	

Securities Disposed Of

Bonds

Dom. of Can. 3% 1963	McCabe Grain 4¼% 1964

Preferred Stocks

English Elec. A	Inter. Power 6%
A. J. Freiman 4½%	Maclaren P & P
Gatineau Pwr. 5%	Price Bros. 4%
Goodyear Tire 4%	Simpsons Ltd 4½%

Common Stocks

Famous Players	John A. Lang
Imp. Tobacco	Loblaw Groc. B
John Labatt	Nat. Breweries

New Dual-frequency Motors Cut Changeover Costs

Industry in the 25-cycle island of Southern Ontario this week was studying the announcement of development of a dual-frequency electric motor said to operate equally well on either 25 or 60-cycle current. Such a motor could help smooth out power conversion problems particularly of new and expanding industry. It could cut conversion expenses of the Hydro-Electric Power Commission of Ontario.

The Commission expects to save a minimum of $4 millions on industrial motor conversion costs, and new and expanding industry might save countless thousands of manhours of production.

English Electric Co. of Canada, St. Catharines, has developed the new motor and will co-operate with other Canadian electrical equipment manufacturers in production and marketing. Although some dual-frequency (Universal) motors in fractional hp sizes have been available, the English Electric motor will be the first made available to Canadian industry in larger than 1 hp. sizes.

Up to now, new and expanding industry has had to purchase 25-cycle motors regardless of the fact that these would have to be replaced with 60-cycle motors when the general changeover took place. The new motors will cost approximately 10% more than 25-cycle motors but cost of rewinding 25-cycle units later would be about 50% more, electrical engineers state. English Electric has applied for patents on the design.

No Delay for Changeover

"This motor will have an important effect on both the taxpayer and on industry," Crawford Gordon, Jr., president of English Electric, says. "Industry will benefit because there will be no costly delays involved during the changeover when such motors are in use. The new dual-frequency motor will continue to operate machinery throughout the change and thereafter."

Since the publicly-owned Hydro system has committed itself to a major portion of the expense of changing over present 25-cycle equipment to 60-cycle operation (two thirds of expense on all consumer conversion undertakings costing over $250 and 100% of cost, if under that) the new motor should cut the System's expense substantially. If all new industrial electric motor installations in the 25-cycle area from now on consist of dual-frequency motors, there will be no motor changeover expense to the Hydro and the taxpayer, except on old-type motors still in use at the time, Mr. Gordon says.

Since final decision to convert to the standard 60-cycle frequency, hydro engineers and electrical manufacturers have been collaborating closely in an effort to cut down changeover costs and lost production time. The dual frequency motor has been one of the first important results. Fully tested in performance, it will cover ratings of one hp. and up. Efforts are now being made to develop a motor with a fractional horsepower, which could be used in domestic equipment.

English Electric is starting production of the new motors this week, and limited quantities will be available within 30 days, Mr. Gordon informs The Financial Post.

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Earnings available for dividends for approximately the first half of the Company's current fiscal year amounted to $9.38 per 4½% Preferred Share or over twice the full year's dividend requirements.

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Dom. Textile Sells Issue $1.5 Millions

MONTREAL (Staff) — Dominion Textile Co. has sold $1.5 millions of 15-year 3½% first mortgage bonds to a syndicate composed of Bank of Montreal, Collier, Norris & Quinlan and McTaggart, Hannaford Birks & Gordon. Since the entire issue has been taken up, there will be no public offering. It is understood the bonds sold above par.

It is believed proceeds will be used to augment working capital, which at March 31, 1948 was $13.9 millions (but only $155,673 represented by cash). Investments were shown at $10.1 millions, inventories $5.2 millions and accounts receivable $2.2 millions.

Dominion Textile is started on a program of plant modernization and expansion, including air conditioning units in some of its plants, it is reported. The company is also said planning a new office building soon.

With sale of these bonds, the company will have issued $6 millions out of a total authorization of $15 millions first mortgage bonds. As at Mar. 31, 1948 the company showed $3.6 millions outstanding.

Int. Paper Net Profit Up 8%

MONTREAL (Staff)—International Paper Co. net profit was up approximately 8% for first half of 1948 over comparable 1947 period. Profit of $28.5 millions resulted in earnings on the common stock of $7.89 per share ($7.29) before appropriations to reserves for capital assets and inventories, of $5 millions.

While gross sales showed an increase of approximately 10% over 1947, operating profit of $27.7 millions was about 14% below that of last year. Increase in the net was due to an item of $843,520 for investment profit; also to the fact that in 1947, $5.9 millions was charged off to cost of prior service benefits under the retirement plan. If common stock earnings are computed after the $3 millions capital assets reserve and $2 millions inventory reserves have been deducted they would amount to $6.49 a share in 1948 six-month period and $6.42 in 1947.

Operating costs are reported consistently higher, only expense items showing a reduction being interest charges, depletion and income tax provisions.

International Paper stated that the Southern Kraft division mills started 1948 with uncomfortably small quantities of pulpwood on hand. During the second quarter inventories were built up, and are expected to be maintained and possibly increased.

The management believes the $2 millions additional appropriation for inventory price adjustment will be sufficient to absorb any decline in inventory value of additional quantities of pulpwood on hand at June 30.

Cdn. Food Prod Sales Hold Up

Net profit of Canadian Food Products for the 36-week period ended July 10, 1948 was $359,557—up $10,691 from the corresponding period of last year. This is equal to $14.38 a share on the preference stock, $2.81 on the Class A and $1.06 on the common ($13.95, $2.70 and $1.01 respectively, in the same period last year).

Sales amounted to $11,179,693 ($10,272,529). Sales are continuing at very high levels in all divisions of the company, Chairman E. P. Taylor informs shareholders. Costs of production and selling have increased considerably, with the result that relationship of operating profits to sales is not as favorable as in the corresponding period last year, Mr. Taylor said. Continuous action is being taken to control expenses and compensate for increased costs, by carefully planned production and merchandising methods.

Increase of approximately $83,000 in depreciation is due to extensive additions to capital assets made during the past year and also provision of double depreciation on certain items of construction and equipment in the plants. Consolidated balance sheet at July 10, shows working capital of $1,742,168, against $2,016,162 at Nov. 1, 1947. Value of fixed assets after depreciation was increased during the period to $3,924,556 from $3,686,530.

Thirty-six weeks ended	July 10 1948	July 12 1947
Sales	$11,179,693	$10,272,529
Oper. profit	1,016,710	978,662
Less: Deprec.	369,222	286,457
Bond int.	20,430	22,788
Prov. for taxes	265,705	320,389
Minority int.	1,796	162
Net profit	359,557	348,866

KIRKLAND GOLDEN GATE MINES fourth hole, drilled down from the 525-ft. level to cut No. 17 vein below the 650-ft. level, cut 3 ft. of ore averaging $9.10 per ton. The first three holes gave following results: $15.40 for 4 ft.; $65.80 for 2 ft.; $84 for 5 ft.; and $16.10 for 2 ft. Manager S. A. Pain estimates the vein at intersected points to average $26 across 2 ft. Drill hole 5-30 secured two adjoining assays of $23.45 for 12 in. and $38.50 across 6 in., or an average of $27.30 across 18 in.

How Would You Invest $10,000 Western City Co. Gives Example

A portfolio for an investment of $10,000 is shown in the August 1948 letter of the Western City Co. Ltd., Vancouver, B.C. This portfolio is drawn up to include the same proportions in bonds, preferred stocks and common stocks as the average ratios of these groups held by a group of 13 U. S. institutions (educational endowment funds).

The example portfolio provides wide diversification of securities categorized as: amusement, automotive, beverage, building materials, chemical, farm implements, financial, food, government, lumber, mining, petroleum, public utilities, steel and tobacco.

The firm's portfolio is as follows:

Bonds:	Invest. $	Income $
2,000 Can. Sav. Bds. 2¾%	2,000	55.00
1,000 B. C. Elec. 3¼/67	930	32.50
1,000 B. C. For. Prod. 4/66	930	40.00
1,000 Massey-Harris 4¾/63	1,000	47.50
	4,860	175.00
Preferred:		
5 B. C. Tel. 4¾% pfd.	510	23.75
5 C. Safeway 4½% pf.	500	22.50
13 Imp. Tob. 4% pfd.	325	13.00
	1,340	59.25
Common:		
10 Bk. of Nova Scotia	360.00	14.00
20 Brazilian Tract.	400	40.00
10 Building Prod.	340	14.00
40 Capital Estates	360	24.00
15 Dom. Tar & Chem.	390	15.00
20 Famous Players	340	20.00
15 Ford Motor A	375	22.50
25 Inter. Pete.	350	12.50
10 Noranda Mines	490	22.50
5 Steel of Canada	395	15.00
	3,800	199.50

Recap.:	Invest. $	Total %	Income $	Yield %
Bonds	4,860	48.6	175.00	3.7
Pref.	1,340	13.4	59.25	4.4
Common	3,800	38.0	199.50	5.3
Total	10,000	100.0	433.75	4.4

The average investor and the management of an endowment account fundamentally face much the same investment problem: the conservation and/or increase of principal plus obtaining a reasonable income from his investment, the Western City Co.'s letter points out.

Certain patterns of investment philosophy are revealed by a study of college endowment accounts over a fairly long period of years. The letter reproduces these as follows:

(1) The endowment managers characteristically do not look for enhancement of principal by trying to "catch" a so-called short-term swing in the securities markets. This is not a part of their investment program.

(2) After a seemingly long advance in security values, regardless of the type of investments concerned, the endowment managers do not attempt to sit on the side lines and await a more favorable opportunity to invest their funds. This is partly due, of course, to income considerations; but it also coincides with the fact that the endowment managers apparently do not wish to assume the risk of forming a positive opinion one way or another with respect to future security values.

(3) Endowment managers having perforce to keep their funds almost fully invested at all times are obviously well aware of the fact that at no time will the "sailing" be entirely clear; and, accordingly they attempt to keep their money invested to the best of their ability in whatever types of securities seem to be most favorably situated under any and every set of economic conditions.

(4) At no time (at least during recent years) have endowment managers completely relied on any one class or type of security to fulfill their entire investment requirements.

The letter concludes that it might be interesting for the average investor to review his own securities program and investment philosophy to see how his methods compare with the plans of those who are responsible for the permanent disposition of investment funds.

U. S. Tourists Spending More But More of It's Canadian $

OTTAWA (Staff) — How's tourism paying off in the overall U. S. dollar earning-conservation program? We can expect the season to end with a gain over last year; but just how substantial a gain, no one here cares to estimate in terms of net dollar earnings.

While the main indicator—volume of highway traffic—shows an encouraging upward trend in U. S. visitors to Canada and a downward trend in traffic the other way for the first six months of this year, there is one big unknown: How much of this year's U. S. expenditures here are in Canadian dollars bought in the U. S. free market.

Otherwise the picture looks pretty encouraging; points to a substantial gain for Canada in the tourist balance of payments, taking into account the fact that the really heavy traffic takes place in July and August and the fact of restriction on Canadian dollar spending in United States. Here are the figures:

In the six months ended June 30, 9.4% more U. S. vehicles came into Canada on travelers' vehicle permits than in the corresponding period last year—503,960 as against 460,668. Canadian crossings to United States in the same class were down 14.7%—57,105 as against 66,924.

At the same time, non-permit class local traffic (staying in Canada 48 hours or less) showed a 22.3% increase (1,922,004 cars as against 1,571,544) while Canadian visits to United States of 24 hours or less were down 10.4% (708,437 against 790,745).

In terms of dollar expenditures figures for the whole of last year were: U. S. expenditures in Canada—$235 millions; Canadian expenditures in United States—$152 millions; a net gain of $83 millions. There are no estimates yet of spending this year.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

MILTON BRICK CO. 1947 net profit was down 37.5%. Owing to delay in construction program, the new system is only now nearing completion, and the program proved more costly than anticipated. During the year the company spent approximately $186,000, and an additional $30,000 thus far in the current year. This necessitated arranging a loan with company bankers, and has adversely affected the company's current position and has delayed balance of program, it is said.

The one-tunnel kiln dries and burns about one-third of present production, the balance still being dried and burned by the old and costlier type of operation. It is essential, in order to obtain full benefit of renovating program, that the building be completed and the two new kilns be installed as early as possible. Hope is held that construction of second kiln will be completed early this fall.

Directors feel that capital of the company should be increased to provide funds to complete the program and to pay off bank and give the company sufficient working capital. They are submitting to a special meeting of shareholders, a plan to increase capitalization from 300,000 common shares to 550,000.

The company is able to sell all the brick it can produce, and there is no evidence of slackening in demand. When the renovation program has been completed, directors foresee a long period of prosperous operation, President G. M. Keely states.

Net profit for first half of 1948 was $14,391, against $19,355 for all of 1947.

INCOME ACOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$867,318	$80,703
Less: Depr.	41,798	24,331
Income tax	6,155	25,405
Net profit	19,365	30,972
Less: Divds.	29,328	17,393
Deficit for year	9,963	†13,579
†Surplus.		
Earnings per Share and Dividend Record:		
Common	$0.07	$0.11
Paid	0.10	0.07½

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$45	$65,602
Accts., etc., rec.	32,047	29,527
Inventories	26,879	27,521
Total curr. assets	58,971	122,650
Def. assets▲	2,666	2,260
Fixed assets*	476,982	333,059
Total assets	538,619	457,969
Bank overdraft	43,310	......
Accts., tax., etc., pay.	81,161	40,355
Total curr. liabs.	124,471	40,355
Reserve	4,251	......
Capital stock	362,770	362,770
Earned surplus▲	47,127	54,844
*After depr. of	unstated	118,122
▲Incl. ref. EPT	1,966	1,966
Working capital	‡65,500	82,295

‡Excess of curr. liabs. over curr. assets.

CORPORATE INVESTORS LTD. net profit gained 8.46% in the fiscal year ended April 30, 1948. Class "A" shares outstanding increased to 188,610 at April 30 (179,583 at April 30, 1947), and by July 31 totaled 209,550. Investment reserves rose to $385,659 ($310,862) at April 30, 1948. Market value of securities was $1,558,222 ($1,619,498) comparing with book value of $873,737 ($892,097).

Distribution of investments was as follows: government and municipal bonds, 1%; preferred stocks, 40% common stocks, 59%.

INCOME ACCOUNT

Years Ended Apr. 30:	1948	1947
Total revenue	$78,401	$73,999
Less: Admin. exp.	10,624	10,147
Taxes	953	1,045
Interest	472	1,632
Net profit	66,352	61,175
Less: Dividends	62,191	58,046
Surplus for year	4,161	3,129
Earnings per Share and Dividend Record:		
Cl. "A" & "B"	$0.35	$0.34
Paid	0.34	0.32

CONDENSED BALANCE SHEET

As at Apr. 30:	1948	1947
Cash	$73,826	$7,308
Accr. int. rec.	99	198
Invest. at cost less res.*	873,737	892,097
Total assets	947,662	899,603
Taxes, etc., pay.	135	......
Dividend pay.	18,751	36,177
Capital stock	189,610	180,583
Cap. red. reserve	699,328	644,917
Earned surplus	39,838	37,926
*Market value	1,558,222	1,619,498

Bank of Canada Directors Plan To See Country

OTTAWA (Staff) — For the first time, a regular meeting of the directors of the Bank of Canada and the Industrial Development Bank will be held outside Ottawa. The September meeting, Governor Graham F. Towers announces, is being held in Vancouver.

Mr. Towers said the policy of holding occasional meetings outside the capital, aimed to give the directors an opportunity to visit various parts of the country where the Bank and the IDB operate.

In Vancouver, the directors will inspect enterprises being financed by the IDB. A stop will be made at Winnipeg, to allow a similar review.

Leduc Draws Business To Growing Edmonton

Edmonton now has a warehousing branch of Calgary's Halliburton Oil Well Cementing Co., another small example of mushrooming U.S. interest in Leduc oil. The city, according to Industrial Commissioner Graham Curtis recently sold Halliburton 3½ acres and an existing warehouse for bulk storage of cement.

JAMES ROY GORDON

assistant to the vice-president of International Nickel Co. of Canada, has been elected first vice-president of the Ontario Mining Association.

ISLAND MOUNTAIN MINES CO. produced 1,357 oz. gold in July from treatment of 3,150 tons of ore averaging $14.76 (1,355 oz. from 3,176 tons and $14.93 average in June).

CANADIAN GOVERNMENT PROVINCIAL and MUNICIPAL SECURITIES

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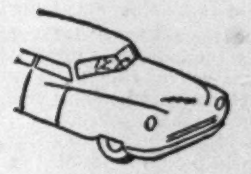

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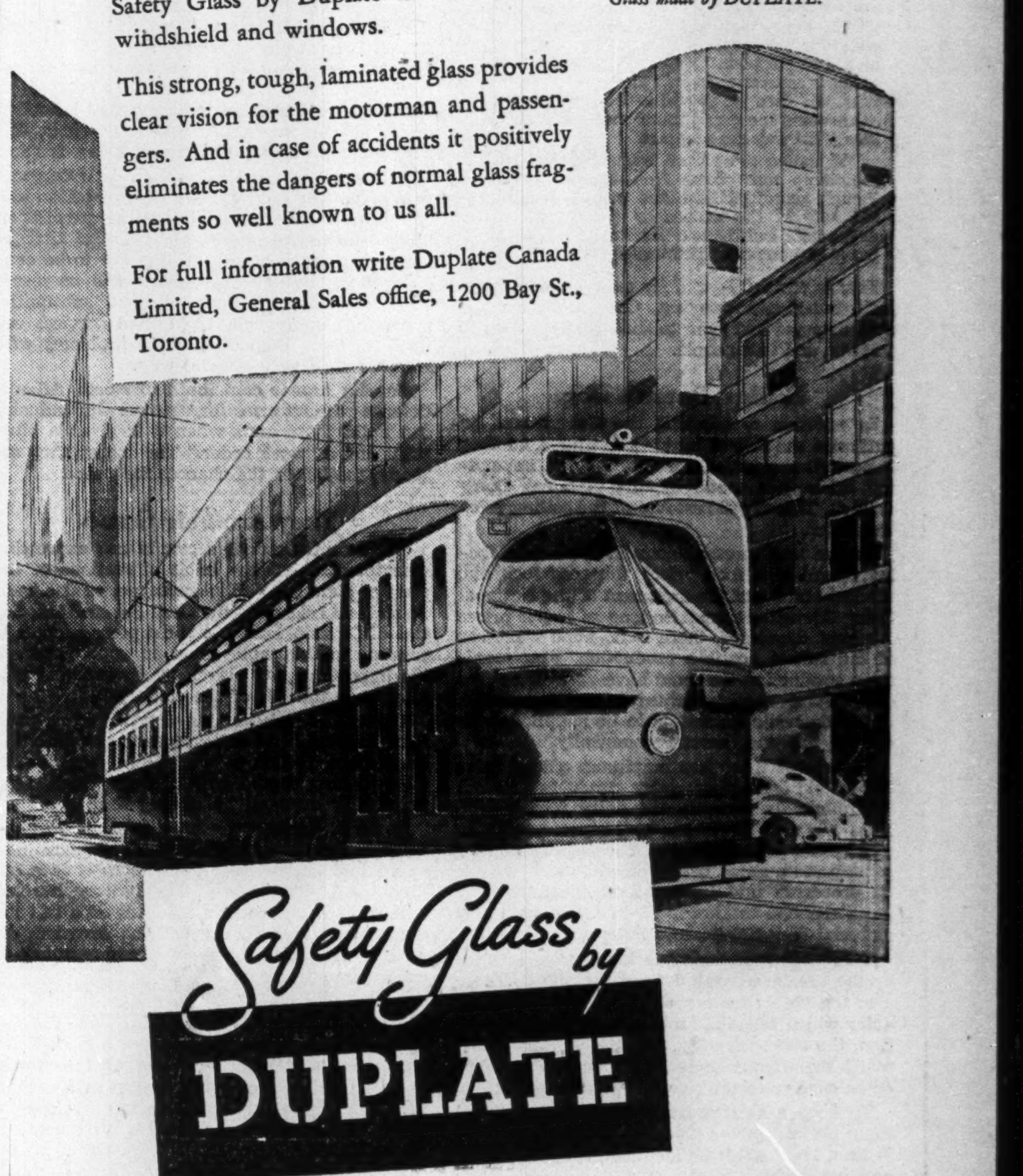


Safety Glass by DUPLATE

Embargo Had to Go

Removal of the embargo on Canadian beef to the United States was inevitable. Restrictions of this kind and with this type of product have no place in normal trade.

The embargo was only justified as a temporary emergency measure, the original reasons for which have long since disappeared. If there is any valid criticism of Ottawa in the way this matter has been handled it would be at the needless delay and confusion, not the final action. It would have been better for all concerned had the embargo been lifted just as soon as Britain had made other arrangements for her beef import after the war.

CCF state planners to the contrary, we cannot hope to insulate permanently our economy against that of the United States. Even if such a course were desirable it would not be possible. The United States is the natural market for a great many of our surplus products, including beef, just as Canada is the natural market for many American exports. Moreover we couldn't expect Canadian farmers to go on indefinitely accepting for their cattle 25% less than American buyers would be glad to pay. That sort of thing would soon lead to a lot of natural resentment upon the part of a large part of our population not to mention bootlegging, regimentation and other kindred troubles.

Above all, of course, is the question of U. S. dollars. For anything like full production in this country we need a steady supply of certain key raw materials, equipment and other supplies from the United States. We can't get these without paying for them in U. S. dollars and the only way we can get U. S. dollars today is to sell U. S. customers goods.

U. S. customers are ready to buy our beef and not just on the hoof, but also as dressed meat. This means higher employment in Canadian abbatoirs, more business for the railways and the refrigerating companies, more money for Canadian farmers to spend. We can't afford to turn down sound trade of this kind and particularly at a time when it is so important that we build up our credit south of the line.

True, lifting of the embargo will mean that Canadian consumers will have to pay more for their meat and until farmers increase their production there may not be so much beef for Canadian families to eat. But the fact remains that we are eating more beef than ever before, nearly 25% more than in 1935-39.

During the war and for a short time afterwards we were able, because of the embargo, to ship some surplus beef to Great Britain but not to the extent that was generally supposed. Canada has never been the main source of Britain's imported beef. Britain does take much of our bacon, but the natural outlet for our beef has been the United States. Now, under the Geneva agreements which have greatly widened that natural market, we have an unprecedented opportunity for developing that market. Even if it means some temporary sacrifice on our part, some switching from beef to other, less expensive foods, the country as a whole will benefit.

Mobs Can't Rule

Worship of mediocrity is one of the unfortunate characteristics of this era. But the believers in leveling down as the solution of all political and economic ills are so clamorous, so self-righteous in their view, that the author of an article in the Recorder is sure to be in for a drubbing.

He is Brutus, the political correspondent for that London political weekly. This article is in reply to an irate correspondent who said among other things: "I have not the faintest idea what you believe in as a Tory unless it is yourself."

Brutus tries "to show him what it is that makes a Tory tick."

"Firstly, I believe in human inequality, not as a philosophy but as a fact. To deny human inequality would be to deny Shakespeare, Churchill, Pasteur and Freddie Mills. Men, like horses, do not travel at the same pace nor arrive at the same moment.

"But I do not believe in the fruits of inequality as a right. The offspring of a Derby winner must win his own races. So, in a wise society, the son of every rich and successful man should have to make his own career if he is to maintain the respect of the community . . .

"As a Tory I believe profoundly not only in the rights of minorities but in the necessity of their rule over the majorities.

"The Battle of El Alamein could not have been won without the courage and skill of the ordinary soldier. But victory would have been impossible without a Montgomery . . . Success in war depends upon the leadership of the many by the few. It was probably Napoleon who said there are no bad soldiers, but only bad officers.

"The Socialists decry and deny the rights and even the usefulness of the minorities . . . Under Socialist philosophy the winner in any race should be disqualified and the prize awarded to whatever or whoever ran last . . .

"The poor bemused Fabianised Socialists actually think that by lowering the minorities they are raising the masses. They might as well believe that pouring champagne into the sea would take away the taste of salt. We see this corroding influence of Socialism all over the world today, especially in Europe. Mediocrity is everywhere and the cradle of greatness is empty . . .

"What is wrong with Britain today? In my opinion it is the minorities. They lack arrogance, they lack courage and they lack vision. They have compromised with mediocrity and are paying the price in spiritual decline . . .

"By every method in our power we should endeavor to equalize opportunity. By every means in our power we should raise the level of the masses nearer and nearer to the minorities, and then we should insist upon the minorities rising more and more above the majorities. That way lies progress.

"A nation must have leadership and such leadership must come from the few — although recruited from the many — or else the rule of the masses by the masses will degenerate swiftly and inevitably into a one-party or a one-man dictatorship."

That is powerful—and for many, unpopular—stuff, but it needs saying. Only in Russia has Socialism yet had time to show what it does to a nation and to a people.

Ceiling Doesn't Help

In addition to advising the Government to authorize the sale of butter substitutes, another important suggestion for meeting the impending crisis was made by the National Dairy Council. This urged removal of the ceiling price on butter.

To the hard-pressed consumer, already facing record high food prices, this may look like the last straw but the argument of the National Dairy Council is sound. So long as butter prices are kept depressed, there is no hope whatever of the fullest possible production, And maximum production we must have as well as free competition from substitutes like margarine, if the domestic market is to be supplied fully and in the end, most economically.

At present there is a maximum official price for butter but other dairy products are not controlled. As a result, the dairy farmer who ships his milk or cream to be processed into these other products gets a better price, and in some cases a much better price, than if it is to be processed into butter. That means, where an alternative market is offered, the farm raw material does not go into butter.

There are four main markets for farm milk or the cream separated from that milk. These are: the butter factory or creamery, the urban dairy which sells fluid milk for direct consumption, the cheese factory, and the various plants which manufacture milk or cream into powdered or condensed milk or into ice cream.

To keep a normal flow of milk going to all these outlets, prices paid for the milk must be in line. They won't be identical, because different by-products and slightly different costs enter into the business but there must be a definite relationship. With butter controlled and the other markets operating freely, the normal relationship has completely disappeared. The cheese factory, which usually pays a little less for its raw material than the creamery, today is actually paying more, while the manufacturer of ice cream and the other products is paying still higher premiums.

Here are the approximate returns received by the farmer for 100 pounds of milk or its equivalent in cream used for the following purposes:

Fluid milk	$4.02
Ice cream	3.17
Condensories, etc.	2.97
Fluid cream	2.95
Cheese	2.70
Butter	2.55

So long as it is possible to sell milk at a higher price in any other form than butter, the latter is bound to continue in short supply. The continuance of price control on butter is responsible for this ridiculous situation. That control, as well as the indefensible ban on margarine, should go.

Waiting for a "Work Order"

The role Canada will play in the North Atlantic defense bloc is being given careful study by industrialists, as well as by military officials and government policy makers. Leaders in industry know the magnitude of the job they may soon be called on to perform and they want to be ready for it.

Victor M. Drury, president of Canadian Car & Foundry, in a recent address to the new National Defense College at Kingston, said:

"North America, as industrial leader, is the only remaining arsenal. The new strategic concept of defense is based on industrial power. That means the industries of United States and Canada. . . . It is industry's function to perform; the Government's to plan. It is our job to translate the Government's intentions into tangible form.

"At present we should be concentrating on one important war aspect: the most efficient utilization of plant capacity . . . We can determine industrial potential in Canada and such a survey should be undertaken without delay. But what value is it in terms of preparedness unless we can compare it with military requirements. Have these been determined? We must, even if reluctantly, admit there is little evidence to encourage us in this respect."

Some of the evidence that is encouraging is the organization of the Industrial Defense Board. It has already held meetings of key industrial men, senior officers of the armed forces, research scientists and government officials to discuss what Canadian industry may be called on to do in furnishing necessary arms and supplies for defense plans now being formed.

But Mr. Drury maintains there is little prospect of putting any tangible plan of action into effect until government budgeting permits of "long-range projection." He believes that as long as attempts at preparation are to be conditioned by annual votes, plans will be piecemeal and disconnected; without substantial grants for equipment, the armed services can do little more than discuss the problems with industry in a very general way.

Canada cannot contribute to North Atlantic defense without arms for defense. Our industry can build those arms when it is given a blueprint and a "work order." The sooner they are ready, the better the chances for peace.

They Are Fair Game

"Conscientious civil servants are expressing resentment about the habit of sections of the press of picturing public employees as slackers." So states a release of the Civil Service Association of Ontario, issued to enlist press support in creating in the public mind an appreciation of the important part played by government employees in the life of the country.

The release also states that a recent press item implied that civil servants at Ontario's Parliament Buildings weren't on the job by 8.30, as they should be, but their offices were practically deserted by closing time at 4.30.

It must become tiresome to civil servants to be criticized or kidded about the cushiness or permanency of their jobs. Much of it is unthoughtful, uncalled for, and ignores the fact that many government employees do a full job. Some work overtime when the occasion demands, and often without compensation in extra pay or time off.

But civil servants should realize they are in the same boat with politicians. They are fair game for the people who foot the bills. Criticizing the Government is one of the fundamental privileges of every citizen in a democracy. The more this privilege is exercised the better the chances for good government, at lower cost.

Business is kept on its toes by criticism from its customers and shareholders. So is government.

Holiday Scratch Pad

FAVORITE NAMES for Canadian weekly newspapers are the tried-and-true News, Review, Times, Herald, Star, Chronicle, Record and Press—or combinations thereof, reflecting the trend toward one-paper towns. But there are some names as colorful and descriptive as English rural addresses: Banff Crag and Canyon, Cut Knife Grinder, Punnichy Touchwood Times, Swan Lake Echo (now part of Somerset News), Caledonia Grand River Sachem, Lindsay Watchman Warder, Richards Landing St. Joe's Herald, Blacks Harbour Fundy Fisherman, Corner Brook Western Star, Yarmouth Light, and Antigonish Casket. Our favorite is the Sydney (B.C.) Saanich Peninsula and Gulf Islands Review. It boasts the longest title of all. It is also reputed to have many millionaire subscribers, residents of the swank Saanich Peninsula of Vancouver Island, north of Victoria. Editor Fred Ford gathers news each week among the Gulf Islands in his own sloop. That's our idea of a nice way to cover a beat.

* * *

YOUSUF KARSH is famed as a photographer because he can make people act characteristically, and then take their pictures. His wartime shot of Churchill looking like a British bulldog, taken during the Prime Minister's Ottawa visit in 1941, spread Karsh's renown around the world. What made Churchill look so ferocious was that Karsh had taken his cigar away from him under protest, but the photographer won.

Karsh is less successful with animals. Recently he tried to break the queenly rule of a Persian cat in his Ottawa home, installed there by his wife, Solange. He brought home an aristocratic French poodle. That was all right with Mrs. Karsh, but the cat had other ideas. The chase went on for a full day, with the poodle well in the lead at all times. Karsh and the poodle retired; the poodle to another home. Mrs. Karsh straightened the furniture and the Persian sat softly and securely on her throne again.

* * *

DURING HIS TRIP through Europe recently, Murray Chipman, Maclean-Hunter's Montreal manager, had as guide in Essen a German chap in his early thirties. He spoke English well and when Chipman remarked on it, the lad said, "I should; I was in Canada for six years. By the way, how are things at Sunnyside and Casa Loma in Toronto?"

Chipman found out the young German had been a war prisoner here. He had escaped from a lumber camp in Northern Ontario, with $250 and a national registration card. He had trapped furs on the sly, sold them to Indians, and bought the identity card from a drink-confused Indian.

In Toronto he went to Selective Service for a job, but was hired out of the line before he got to the desk, thus avoiding the risk of being caught. He finally surrendered, at the end of the war, so he could get back home to see his parents.

"But," he told Chipman, "I wish with all my heart I was back there. You have a wonderful country in Canada."

* * *

IT ISN'T ONLY farmers' sons and daughters that are going to the city. The urban population of skunks, woodchucks and coons is also increasing and adding to the cities' wild life population. One may not see much of these animals themselves, but there is plenty of evidence of their presence.

If one can smell it isn't necessary to go beyond the back verandah to know that the city has its skunk population.

If one has a suburban garden, he will soon learn to grow at least twice as much corn as the family can consume to allow for the coons and up to ten times as much lettuce, cabbage, beets and peas if there is a woodchuck or groundhog within range.

Some of this wild life (pheasants are an example), seem to thrive much better inside the city limits than out in open country. Last winter a couple of cocks were seen within a block of Toronto's city hall, competing with pigeons and sparrows for whatever pigeons and sparrows prefer for their supper.

Why this increase?

Chief factors seem to be the absence of natural enemies, particularly foxes, and the abundance of food and shelter.

Also important is the fact that city youth has some interest in conservation and gets as much kick out of watching a bird or wild animal as his rural grandfather did in shooting it.

It is true, also, that in the older settled areas which were cleared almost bare a century ago, tree and other growth is increasing. Steep hills and gullies have proved unfit for cultivation, and orchards have replaced cleared fields. All this means natural cover and a return of game.

While Napier Moore, regular writer of Scratch Pad, is on holidays, authorship is by the editorial staff of The Post.

Stop Me If —

A beggar knocked unsuspectingly at the door of the village policeman. The door opened and, with bent head, the beggar started telling the tale.

"I didn't eat yesterday," he whined, "and I haven't eaten today." He raised his eyes and noticed blue-uniformed legs. "And," he ended, "I don't care a hang if I don't eat tomorrow either!"

* * *

Two boys going round the exhibits in the museum stopped in front of a mummy to which was attached a card: B.C. 1500.

"That puzzles me," said one of the boys. "What does it mean?"

"Don't show your ignorance," replied the other, "that's the number of the car that ran him down."

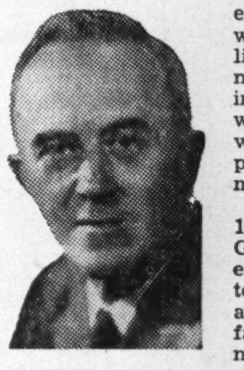
Cartoon by Grassick.

WHAT'S COOKING?

Post Scripts

Ridley Headmaster

Before another year has gone by, the reins of Canada's largest private boarding school for boys will have passed into the firm, capable, but gentle hands of 50-year-old John Russell Hamilton.



MR. HAMILTON

His appointment as next headmaster of Ridley College at St. Catharines, Ont., to take effect next June, was made by Dr. H. C. Griffith, headmaster since 1921, at the last prize day.

Hamilton—"Hammie" as he is fondly called by wearers of the orange-and-black—has been a master at Ridley for 26 years, and assistant headmaster since 1936.

Born in 1898 at Nelson, Ont., Hamilton attended school in Waterdown and at old Central Collegiate in Hamilton where, in 1915, he won an Edward Blake general proficiency scholarship which took him to the University of Toronto in the honor chemistry course.

He joined the Royal Canadian Engineers in 1915, going to France the following year. He served on the continent until 1918, when he transferred to the Royal Flying Corps.

He returned to Varsity in 1919 and graduated in 1922 with an honor chemistry degree. That fall he joined the Ridley science staff and has been the science staff itself for the greater part of the past 26 years.

Married in 1925, he has two children, both of whom have grown up at Ridley. Joan, now 21, hopes to graduate in household economics from McGill University next spring while Richard, 14, is a student at Ridley.

Hamilton's hobbies are gardening, bridge and reading. He still plays quite a bit of tennis, and ventures on the golf course "a couple of times a year." He also keeps active coaching rugby, hockey and cricket teams and refereeing various games almost every day.

* * *

New Justice

Newest member of Saskatchewan's Court of Appeal, Mr. Justice Arthur Thomas Procter is a Westerner by birth and outlook. As a farm hand, soldier, lawyer and politician, his life was closely linked with prairie development. As a judge, he remains a champion of the West.

Born 62 years ago on a farm near Oswald, 35 miles northwest of Winnipeg, he has lived on the prairies all his life, except for time served overseas in World War I.

Procter received his early education at St. John's College, Winnipeg, working on his father's farm or as a hired hand for neighbors between terms. He entered law as a student in the firm of Mullock and Robarts at Winnipeg in 1906; graduated from University of Manitoba in 1910 with an LL.B degree; joined Wylie and Mundell at Moosomin, Sask., as a student-at-law; and became a partner after his admission to the bar in 1911.

Arriving in England in September, 1915, with the 10th C.M.R.'s he switched to the Fort Garry Horse for service in France. While at the front, he rose through the ranks from private to lieutenant. Two years later, a serious pneumonia attack sent him to hospital for nearly two years. In his fight for health he had 13 operations.

Back in Canada, Procter continued his law practice in Moosomin, was appointed a King's Counsel in 1926. Two years later he served as junior counsel for the Saskatchewan Grain Commission, and was also a member of the lieutenant-governor's relief commission during the depression days.

In Moosomin, Procter was trustee of the collegiate board for six years, secretary-treasurer and later president of the Board of Trade. He was president of the Moosomin Canadian Club and served on the board of the Church of England.

Largely because of his active interest in community welfare, Procter was approached to enter politics. A lifelong Liberal, he received the party nomination to contest Moosomin riding in the 1929 general election. He was defeated by Dr. F. D. Munroe, who subsequently became minister of public health in the coalition government.

He won over Dr. Munroe in the 1934 election, when the Anderson Government failed to win a seat. Reelected in 1938, he was made minister of highways and transportation, also minister in charge of child welfare and old-age pensions and administrator of the provincial tax commission. He resigned when the Patterson Government was swept out of office in 1944, but managed to retain his seat.

He was married in 1910 to Nursing Sister Marjory Perley-Martin, who was matron of Deer Lodge Soldiers' Hospital, Winnipeg. They have four children, all girls.

* * *

Mayors' Mayor

Dapper Lucien Borne, perennial mayor of Quebec City (he is now serving his fifth term), was recently elected president of the Canadian Federation of Mayors and Municipalities at the annual meeting in Saint John, N.B.

MR. BORNE

Quebec's chief magistrate, who will have served thirteen years as No. 1 citizen of his native city when his present term expires, is making plans to fly to Holland in September, where he will attend the international convention of municipalities at The Hague.

Born on August 20, 1884, his ancestors hail from France and Luxembourg. He was educated in Quebec and Montreal, and started in business on July 1, 1900, as a tanner, and representative of leather firms.

Once the war ended, the huge sprawling plant at St. Malo, which employed thousands of people and turned out an endless stream of munitions, was lying idle when Borne had the idea of the city buying the property from the Dominion Government for $500,000.

Soon afterwards space amounting to $1.5 millions had been sold by the city to firms interested in industrial possibilities in Quebec. Today there are 35 new industries operating on the site of the old war plant.

Politically, 1936 was a bad year for Quebec's present mayor. He ran as a Liberal candidate for Quebec Centre, and was defeated, and suffered a similar fate in his initial bid for the mayoralty. Two years later, however, he again contested the mayoralty, and won by a substantial margin. He has not been defeated since, and has won by acclamation twice.

While keenly interested in politics, Borne has a couple of engrossing hobbies, hunting and fishing, although he hasn't very much time for them. He is determined to have Quebec made a free port, and vows to carry the fight to a successful conclusion.

He was married in 1905 and has four children.

A natty dresser, he favors two-tone sport shoes during the summer months — of fine leather, naturally —and likes to travel around in furthering the city's interests. His next big job is preparing for the 1949 convention of the Canadian Federation of Mayors and Municipalities, slated for Quebec City, and he promises to make it the most noteworthy in the federation's history.

What Others Are Saying

Editorial of the Week

Want To Do Own Spending

Vancouver Province

If they are wise the federal government, and provincial and municipal governments, will pay more attention to this plea for economy than to vote-catching programs promising more of everything for everybody.

Like all other human beings we Canadians want bigger old-age pensions, better unemployment insurance, more adequate hospital and health schemes—the fuller life that we are told lies just around the corner.

But how many of these luxuries can we afford? How many more deductions can our pay cheques stand? These are questions Canadians ask themselves these days.

It is all very well for the politicians to try to butter us up with assurances that the greater benefits they plan for us will be paid out of a rather vague treasure chest they call "increased national production."

The truth is that high taxation doesn't encourage production of national or any other kind of wealth. In most cases it discourages it.

There are a lot of weird and wonderful things being spouted about the splendors of "planned economy" but most of us aren't very keen on having our pay cheques planned right out of our pockets.

We want the chance to do a little more planning and spending for ourselves. We want a let-up on taxes.

Other People's Views

UNION WITH CANADA seems the most logical step if Newfoundlanders are tired of isolation says the **Almonte (Ont.) Gazette.** But this paper shows little enthusiasm about the move and so observes: "One wonders why the Newfies want to join Canada which is a badly governed country groaning under the highest taxes imposed anywhere in the world."

CANADIAN CONSUMERS will be hit by the lifting of the beef embargo, says the **Windsor Star** but "there is another side to the picture, the side at which farmers look. Ever since the export of beef cattle was banned early in the war, Canadian farmers have been subsidizing Canadian beef eaters. The farmers have subsidized consumers for some years by the extent to which prices in the United States exceeded those in Canada."

BIG CITIES can learn something from the way the smaller places handle certain problems, points out the **Brockville Recorder and Times.** "The manner in which the parking regulations are enforced is one of them. The smaller places usually differentiate in this regard between the home population and visitors to the community. They try to make them realize that they are actually guests and as such entitled to preferred treatment."

PEOPLE ARE PAYING MORE for goods and services but buying less, comments the **Saint John Times-Globe,** and such a situation if it continues beyond a certain point will force retailers, wholesalers and producers to scale down production and lay off workers. "Meanwhile prices will tumble drastically — and so will wages. Most economists are now agreed that prices have climbed above a level that is safe and sound, but there is no unanimity of opinion on the question of how they can be brought down gradually, and without economic dislocation and unemployment. That is the most pressing domestic problem faced today by Canada, and if our leaders don't grapple with it soon it will be too late to head off serious trouble."

THE LIBERAL PARTY, if it hopes to survive must decide what it stands for, argues the **Farm and Ranch Review, Calgary.** "Today it stands for nothing. It has adopted policies far more protectionist than any R. B. Bennett ever dreamed of. It has imposed crushing burdens of taxation and discouraged productive enterprisers. It was the Liberal Party, the traditional champion of the rights of the individual and protector of civil liberties, that perpetrated the espionage trial star chambers. It veers wildly between the Tory rocks and the C.C.F. shoals. There is hardly room in Canada for two CCF parties or two Tory parties. There is room and always will be room in a democracy for a Liberal Party."

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Aug. 21, 1948

The Provincial Roundup

Alberta

Verdict on Social Credit: Social Credit heard the verdict of the province's electors for the fourth time this week; although there had been little mention, throughout the campaign, of the original Social Credit theories of the late William Aberhart, or of Major Stephen Douglas. The Manning administration based its plea for re-election, on its record of "sound, sane government," in the last four years; warned that a CCF victory — foreseen by few — would kill industrial development in Alberta, by "scaring private capital away." Both Liberal and CCF leaders accused the Government of spending public money to print and circulate Social Credit party propaganda.

Alberta's was the sixth provincial election within eight months; the five previous had all seen existing governments returned; two (Ontario and Saskatchewan) with sharply reduced majorities; three (Prince Edward Island, New Brunswick and Quebec) with increased strength.

Alberta's voting again operated on the proportional representation and transferable vote system, with voters marking their first, second, third preferences and so on, according to the number of candidates on the ballot paper.

In Edmonton and Calgary, which elect five members each, the system operates thus: Returning officers first establish the vote "quota" necessary to elect a candidate. This is ascertained by taking the total number of first-choice ballots, divided by the number of seats to be filled, and adding one to the total. Candidates achieving that quota are automatically elected; and second preferences indicated on their spare ballots, are then credited to other candidates. Third preferences are then counted, when necessary, until a sufficient number of candidates to fill the specified seats, have attained the quota. In single-seat ridings the process is simpler, with the low candidate on each count eliminated.

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British Columbia

PNE Opens Next Week: Crash of hammers and buzz of power saws beat a swift tattoo through a 165-acre park in Vancouver this week, in preparation for the opening of Western Canada's biggest exhibition, now in its 34th year. Pacific National Exhibition officals looked for an attendance of 600,000 or higher, at the $4,-million show between Aug. 25 and Sept. 6. Among innovations this year: a fifth furlong added to Hastings Park race track, at a cost of $150,000 to $200,000.

Relief From Arthritis?: With Dr. G. F. Amyot, Provincial Health Officer, en route home from an international conference in Geneva, the province prepared to probe the arthritis treatment developed by L. F. Green, Port Alberni layman (The Financial Post, July 31). The survey would be made by a committee composed of Dr. Amyot; Dr. A. W. Bagnall, an authority on arthritis research at Shaughnessy Hospital; Dr. Harold H. Boucher, Vancouver surgeon, and E. S. H. Winn, former chairman of the Workmen's Compensation Board. Health Minister George S. Pearson said "some amazing cures" had been claimed for Green's formula, in addition to the advantage of being low in price. Green, a retired metallurgical chemist, was said to have cured himself, as well as others, of arthritis.

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Saskatchewan

Speed Teacher Supply: The province faced another pending teacher shortage, but not so acute as in recent years, Deputy Education Minister Allan McCallum revealed. On the basis of a June survey, 850 teachers had given notice that they were quitting the profession; 385 others were undecided whether to continue. To offset this loss, more than 830 new pedagogues would be available next month: 150 from University of Saskatchewan's College of Education: 280 from normal schools at Saskatoon and Moose Jaw; 400 from special 14-week summer courses now under way in the normal schools.

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Manitoba

More for Civil Service: Provincial civil servants, 1,800 strong, were to decide this week, whether to accept a salary increase offered by the Government. The Association had asked for a cost-of-living bonus averaging $28 a month; the Government countered with an interim offer of approximately half that amount, from July 1 to March 31, 1949, the end of the current fiscal year; rates then to be reviewed in the light of an over-all survey to be made in the interim. For the nine-month period, the increases would represent a $600,000 total, half to the civil service proper, the balance to employees of the Manitoba Power Commission and other government boards.

Speed New Power Line: Contracts were to be awarded this month by the Manitoba Power Commission, for construction of a control house for the new power terminal station, about 12 miles north of Winnipeg. The project envisioned tapping the 110-volt line of the Winnipeg Electric Co. from Great Falls and thus providing a new source for transmission of power at 115,000 volts for the western part of Manitoba over a new line terminating at Brandon 145 miles west.

The line will also step down the power to 33,000 volts for two other circuits, one to service the rural area between Lake Winnipeg and Lake Manitoba, and the other at 6,900 volts to supply areas close to the control station. First plans were to have the new line in operation for next winter's peak load. Inability of manufacturers to deliver transformers, on order for more than a year, makes it necessary to delay it until 1949.

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Ontario

Farm Costs Kill Crops?: The sight of thousands of bushels of cabbages, tomatoes and cauliflower rotting on the ground or on the vine, "appalled" Agriculture Minister T. L. Kennedy, himself a practical farmer. At present price and labor levels, he stated, growers could not profitably market their crops; many preferred to leave them unpicked. A new $1-million terminal warehouse, planned by the province just west of Toronto, would relieve the situation, by permitting growers to sell direct to consumers; but for the present, shortage of materials was delaying the project.

Kennedy also announced that if Ottawa gave a green light to oleomargarine production in Canada, the province would not oppose its sale here; said he saw no threat to the dairy industry, particularly in the face of a threatening acute butter shortage.

Civil Service Asks More: Requests for a five-day week, general salary increases and a flat cost-of-living bonus for the civil service, were being studied by the Drew Government. "There appears to be a great deal of unrest among civil servants," a brief from that body's Association, submitted; cited a 33% rise in the cost-of-living index since 1945, and stated that many government employees were still at 1945 salary levels. There were suggestions that the Government might grant a five-day week, but on the stipulation that civil servants punch a theoretical time clock more punctually, remaining at their jobs until at least 5 p.m.

A five-day week might not necessarily entail closing government offices on Saturdays; a skeleton staff, alternating from week to week, might remain on duty, receiving extra time off during the week, by way of compensation.

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Quebec

In Red, or Out?: Chairman J. O. Asselin of Montreal's Executive Committee planned to seek an early showdown on the question of whether the City had a surplus of $2,192,857 or a deficit of $807,-142, at the close of its last fiscal year on April 30. The dispute centred on the point whether the City was within its rights, in treating accumulated surpluses of $3 millions, as available revenue. Finance Director Lactance Roberge said "yes"; two outside auditors appointed in 1944 said "no." Asselin also said "yes," but planned to seek a final ruling on the question. "The law" he insisted, "authorizes the city to use as revenue, the surpluses it has accumulated in previous years; we have strictly obeyed the law. The whole dispute hinges on a question of bookkeeping."

The solution might come in the form of an application to the Legislature, for revision of the city's 1943 charter. Changes urged in some quarters included abolition of the "C" class of councillors (nominees of public bodies); granting of some form of veto power to the mayor, over decisions of the Executive Committee; and changes in the system of selecting the latter body. The 1943 charter had been passed by a Liberal Legislature; how an application for revision, would fare at the hands of the new House (with 82 Union Nationale members out of a total of 92) remained a question mark.

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New Brunswick

Freight Rates Up: International freight rate increases affecting many Maritime imports and exports, were scheduled to go into effect this week. Variations from the general 30% increases were:

Fresh fruits (except citrus fruits) 22c per 100 lb., and subject to the 30% boost.

Oranges, grapefruit, lemons, limes, kumquats, tangerines, 20c per 100 lb. and subject to the general increase.

Wool and mohair in the grease or scoured, including wool tops, subject to the general boost, with a maximum increase of 30c per 100 lb.

Animal glue stock, subject to the increase, with a maximum of 8c per 100 lb.

Anthracite coal, bituminous coal (except lignite), and coke, up 20%, with a maximum of two cents per 100 lb.

Lignite and coal briquettes up 10%, with a maximum of one cent per 100 lb. (Provision is made for adjustment, when coal is shipped by water).

Cutting Tax Arrears: Saint John's tax arrears collection drive, organized in late 1945, was paying off; at Aug. 1 had cut the total outstanding from $1,520,132 at Dec. 31, 1945, to $590,788 (approximately $520,000 collected, and more than $400,000 written off as uncollectible, due to death or disappearance of the owners). Last year the city collected, in current and arrears taxes, 109% of its 1947 warrant; at July 21 of this year, 69.4% of current 1948 taxes had been paid.

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Nova Scotia

Crops Look Better: The province's crop picture was brighter, at mid-August. Apples, at an estimated million barrels, would be below last year's figure, due to removal of a considerable number of trees in an orchard rehabilitation program; but this might prevent a glut, since the U. K. market was closed. An "adequate" hay crop was being harvested; early oats were heading out nicely, and "excellent" growing conditions made farmers optimistic for the late crop also. Roots and hoed crops were reported good, and berries well above average, with strawberries topping the list.

Halifax Asks 'Cut': As the province's first beer taverns loomed on the horizon this week, Mayor J. E. Ahern demanded that the City of Halifax be cut in on the profits — either by rebate from the provincial Liquor Commission, or by a direct gallonage tax levied on the premises. "We need money badly for streets, sidewalks, lighting — everything is going up" said His Worship. "When the bars operated in Halifax years ago, the city got enough in taxes from them to pay for the police force." The mayor also wanted a voice for the city, as to where and how the taverns would operate; suggested this might be achieved through regulation of building permits. Meanwhile, 13 other plebiscites on taverns were pending; Chester and Parrsboro were to vote next week; others in September and October.

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Prince Edward Is.

Exhibition, Old Home Week: For the first time in its 52 years' history, Charlottetown's Old Home Week and Provincial Exhibition was officially opened by a Governor-General last week. The show drew daily crowds of more than 10,000 — equal to more than one half the city's population. A racing innovation this year was a starting gate made by Maritime Central Airways, consisting of two wings, made of airplane girders, fastened horizontally on the chassis of a motor car. The sulkies go to the wire behind this, the wing folding in at the word "go" and the starting gate picking up speed and getting out of the way.

Lobster Picture Bright: Lobstering prospects looked good, as the Island's second open season got under way last week. The first two-month period had been generally profitable for fishermen, despite high cost of supplies and gear: 3,500 more cases canned than in the corresponding 1947 period; increase in value, $325,000.

RALPH L. HEALY

general manager of Wright-Hargreaves Mines Ltd., has been elected president of the Ontario Mining Association.

Edmonton Builders Plan Housing Show

From Our Own Correspondent

EDMONTON — February has been chosen for staging here of the largest housebuilding exposition ever held in Western Canada. The show is aimed at the home-seeking public mainly—progress in design, methods and equipment in the last five years. Alberta builders will be brought together for mutual aid and self instruction on modern techniques.

Sponsor is Edmonton Home Builders' Association, in co-operation with the National House Builders' Association, Toronto. Eastern manufacturers, Alberta appliance and material distributors are reported to have indicated willingness to participate. Accommodation is available for 20,000 spectators.

Pacific Mills New Pwr. Plant Now Operating

Another stage in the postwar development program of Pacific Mills Ltd. was completed last week when the company's new $1 million power plant swung into operation.

The new installation is said to include one of the largest industrial boilers on the Pacific Coast. Designed and manufactured by Babcock - Wilcox & Goldie-McCulloch Ltd., Galt, Ont., the unit has an operating pressure of 725 lbs. per sq. in. at 750° FTT and steaming capacity of 175,000 lbs. per hour. The boiler weighs approximately 750 tons.

Charles C. Moore & Co., engineers of Vancouver and San Francisco were responsible for the erection of the boiler and Siedelman, Shields & Co. for the housing and structural steel.

Operating in conjunction with the boiler are two new steam turbo generators. One was manufactured in Zurich, Switzerland, the second is a General Electric machine.

In addition, an extensive program of steam repiping has been completed, including a 3,000 gal. storage header for pump suctions, new oil heaters and new pumps, etc. Extensive electrical work has also been carried out, and motor controls for the new and existing boiler plant motors have been installed. Over 5,000 ft. of four inch conduit and three conductor cables have also been laid, to distribute the power generated by the new turbo generators; and complete overhaul of the mill substation switch gear is well under way, it is stated.

WANAPITEI BASIN MINES Ontario charter is being cancelled Aug. 30.

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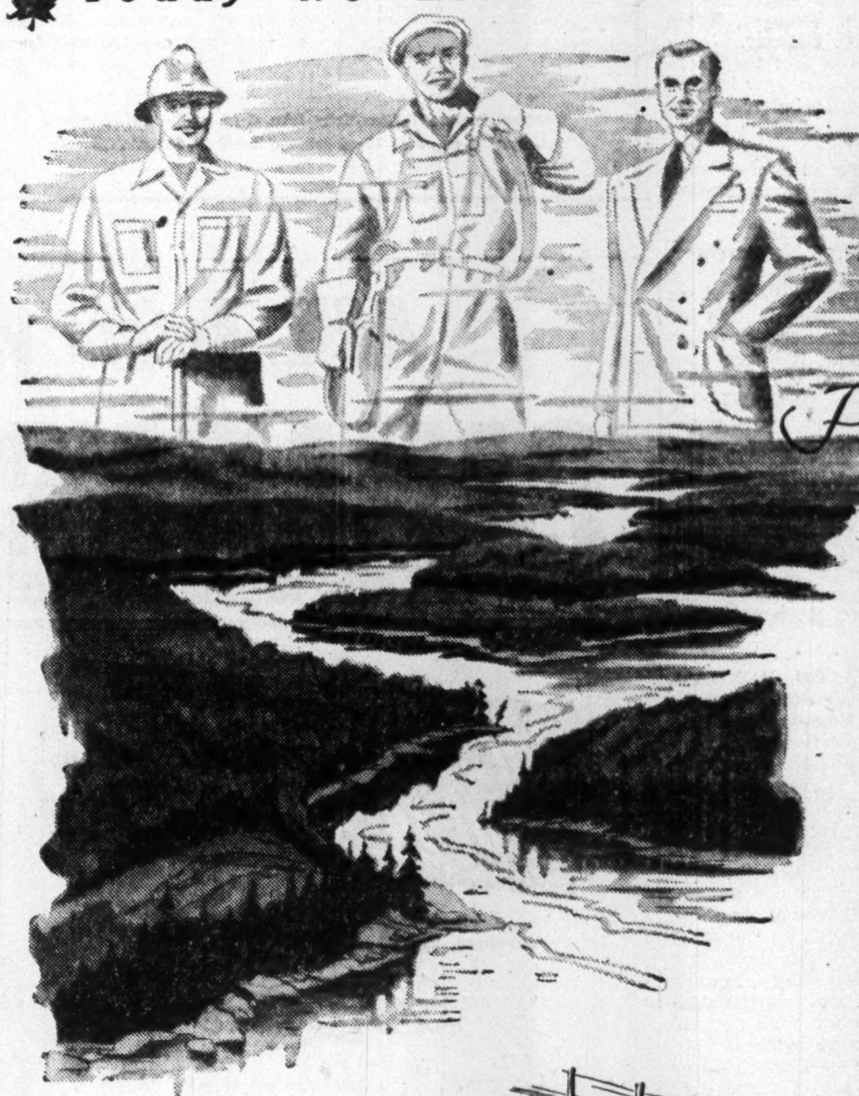


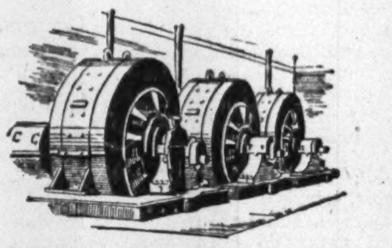
The Barren Lands Produce New Wealth

NEW MINES, new power dams — whole new communities — are rising where only yesterday was nothing but a waste of rocks, water and trees and frozen tundra. Today Canada has a new empire in the wilderness.

The development of our one-time wastelands is one of the most significant phases of Canada's modern advance. Every Canadian is benefitting from that expansion. Today we live in a greater Canada — far greater than we ever knew before — a land of new and exciting opportunities for those commencing their careers today.

AT STEEP ROCK the wartime development of one of the richest bodies of iron ore on the continent has given us a new, long-sought primary industry . . . Today under the caribou moss of Ungava vast new areas of high-grade iron ore are now being actively explored.

WAR-CREATED transportation facilities — by road and air — have opened up a hundred thousand square miles of the northwest, making accessible, for the first time, vast resources of farmland, forests, coal and power sites.



WHERE BEFORE the war was a roadless Quebec wilderness, Shipshaw is now producing more than a million horse-power of electrical energy . . . At Yellowknife on Great Slave Lake, rich gold-bearing ores are being developed . . . From Great Bear Lake near the Arctic Circle comes precious radium . . .

NEW . . . OPPORTUNITIES

JOHN ADASKIN, son of an immigrant wood-worker, developed his talents as a musician to win a distinguished place in Canadian radio. He became CBC's senior program producer; now has his own Productions company in Toronto; has produced over 4,000 radio shows, including some of the most popular on the Canadian air; is Master of Ceremonies and musical conductor on the national talent show "Opportunity Knocks".

JOHN ADASKIN says: *"I have never regretted a career in Canada. Today — more than ever before — new fields and opportunities are opening up for young Canadians. As business in general expands, as the arts gain wider recognition, it's certain that opportunity will continue to knock harder and more often for the talent of this country."*

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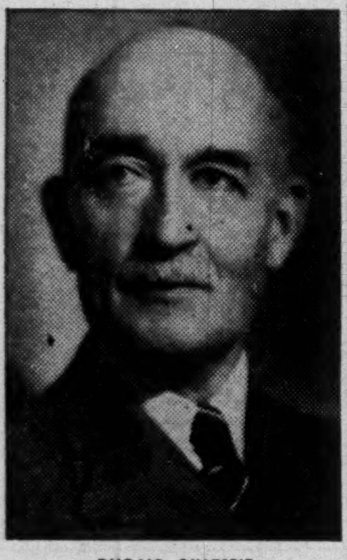

DUGALD GILLESPIE

Distillers Company of Canada Limited announce the appointment of Mr. Dugald Gillespie, formerly Vice-President and Managing Director, as President of the Company. Mr. Gillespie continues in his capacity as Managing Director. Born in Victoria, B.C., Mr. Gillespie is well known as a business executive in Canada and Great Britain.

Federal Vote—When?

The Question: When do you think there will, or should, be a general election; and why?

The next Dominion election is likely to be held in the autumn of 1949 in the opinion of a majority of those answering a Financial Post questionnaire. They voiced the view that there were no pressing issues requiring an immediate mandate from the public; that both Liberals and Progressive Conservatives would desire time to organize their election campaigns under their new leaders; and that practically all members of Parliament would prefer to collect another sessional indemnity before waging an election campaign. One or two contended that a vote should be held earlier, but doubted that it would be. (The full term of the present Parliament does not expire until mid-1950).

G. MAX BELL, Publisher, The Albertan, Calgary.

An early election would serve no good purpose. The transition from a wartime to a peacetime economy has been slow and painful but there is no assurance it would be hastened or made easier by a change of government. While I am not satisfied with what has been done, the country will keep on plodding and stumbling ahead. Give the present Government another year and a better assessment of its effort will be possible. As to when there will be an election, it may be put off as long as possible. Certainly the Liberals aren't in shape now; and after all, they will set the date.

* * *

R. C. BERKINSHAW, Vice-Pres. & Gen. Mgr., Goodyear Tire & Rubber Co. of Canada.

According to constitutional requirements, a general federal election would have to be held not later than 1950; but considering past history and current events, it would appear to me that the election will be held some time next year.

* * *

JAMIESON BONE, President, Ontario Property Owners Association, Belleville, Ont.

There should be a general election immediately. Reasons are:

1. Both parties have, or will have, new leaders—and, we hope, new platforms.
2. The spectacle of the politically hesitant Mr. King attending Empire and other conferences is absurd.
3. War emergency over a new war coming.
4. Termination of wartime restrictions, controls, subsidies and crushing taxation long overdue.
5. Universal suffrage a complete flop.

Both parties must institute some reasonable qualifications for voters, or the Communist party will take over as it has done elsewhere.

* * *

A. M. CAIRNS, Manager, Radio Station CFAC, Calgary.

In view of the fact that both major parties choose new leaders this fall, I do not believe there will be a general election before the middle of next year. New leaders of both parties will want maximum time for consolidation and organization.

* * *

J. A. Campbell, K.C., Barrister, Vancouver.

There appears to be no need for a general election in Canada for some time. Parliament has two years to run and the Canadian people, I am sure, do not wish the expense and turmoil of an election at this time. Major problems such as freight rates, cost of living, housing and those arising out of our external relations, seem to be receiving due consideration and consequent action. There is no public issue, as I see it, at present in Canadian affairs, requiring endorsement by the electorate of government policy thereon.

* * *

GERTRUDE WEBB DUNHAM, President, Federated Women's Institutes of Canada, Havelock,

If an early election would result in nothing but a change in the personnel of the House of Commons, and if advances in taxes, prices, strikes, debts, paternalism, unwarranted extravagances, etc. still continue, I see no reason why the present Parliament should not live out its allotted span. If, on the other hand, there were any hope that men of executive ability, keenest statesmanship and foresightedness with a policy which would result in a strengthening of Canada nationally and internationally, yet at the same time curb unnecessary expenditures and rising costs at home, would or could be elected, then to my mind an election is long overdue and should be held at once.

* * *

W. A. DUNLOP, Editor, The Standard, Forest, Ont.

My personal opinion is that the towns and rural areas do not want an election before the spring of 1949 at the earliest. Businessmen will be too busy getting down to work after the summer vacation; and farmers, who are short of help, are hard at work harvesting a bumper crop and will have no time for elections. Late summer or early fall in 1949 would be better.

* * *

CAMPBELL HAIG, Director, Western Life Assurance Co., Winnipeg.

I think there should be a general election in the fall of 1949—around Nov. 1, as that is the best time for the rural people to give consideration to political issues and they are able to attend meetings. The elections should not be held before that time, because the new leader of the Liberal party and the new leader of the Progressive Conservative party (when elected) require time to become acquainted with the people of Canada and the people of Canada to become acquainted with them; also in order that a session of Parliament may be held to amend the election act, to provide that a member elected must have a majority of the votes polled. (I favor the single transferable vote in single-member constituencies. It works well in this province).

* * *

IVAN SABOURIN, Leader Progressive Conservative Party for Quebec Province.

Yes, there should be a general election soon for the following reasons:

1. Canada is today at the crossroads and it is essential that the people be made fully aware of federal government policy in all its aspects, international and national, economic and social, and also respecting Dominion-provincial relations.

2. From an economic standpoint, the recent Liberal convention has only added to existing confusion, inasmuch as the policies of the new party leader are unknown in many essentials, and, where they happen to be known, they are not policies becoming a great Canadian party and not suitable and acceptable to many provinces, including Quebec.

3. The crushing defeat given the Liberal party in Quebec in the July 28 provincial election, was a clear and unequivocal expression of the people's will. It remains to be seen whether the Liberal party will persist in denying that Quebec and other provinces are entitled to full respect of their rights and prerogatives, in the light of confederation.

4. The most recent statements of Canada's Prime Minister, more vague and ineffectual than ever, indicate that he retains the privilege of remaining head of the Government and real leader of his party not only until the general elections, but also after, if he so desires. Thus he will merely want to use the newly-elected leader of the Liberal party as a tool, as a marionette. This, in fact, is the way the Liberal party has treated Quebec for the last 25 years. It also reflects the manner in which the Liberals have treated the Quebec ministers.

* * *

THOS. WAYLING, Press Gallery, Ottawa.

The next general election should and probably will, be in the fall of '49. The three national political parties will have held convention, rejuvenated their leaders, revivified their platforms and be ready to put their best men foremost. The decision will lie specifically with Prime Minister - designate St. Laurent. He will favor the fall of '49 as giving him a year of office, a session of Parliament and time to get into the public eye and political consciousness of the Dominion. M.P.'s will want another sessional indemnity to finance their campaigns and organize their ridings. The present Parliament can constitutionally continue until the fall of '50. This is not politically advantageous because it may be forced to an election on disadvantageous issues.

By the fall of 1949 the Government can and probably will have brought down a lowered cost of living budget, reduced taxes and tariffs, consolidated its social security measures, sloughed off its adverse record by the absorption of newer and more blameless cabinet ministers; be in a position to offer not only a clean sheet, but a new book. There is not much possibility of a government defeat in parliament and a forced election, although its majority is small. The Opposition parties do not want an immediate election. Like the Government supporters, they want another sessional indemnity, time to mend their political fences, and to organize their campaigns. Other than in the event of a defeat in Parliament, the Prime Minister can call an election any time he wishes by simply resigning.

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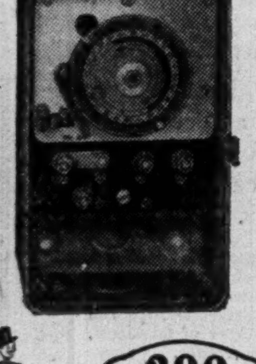

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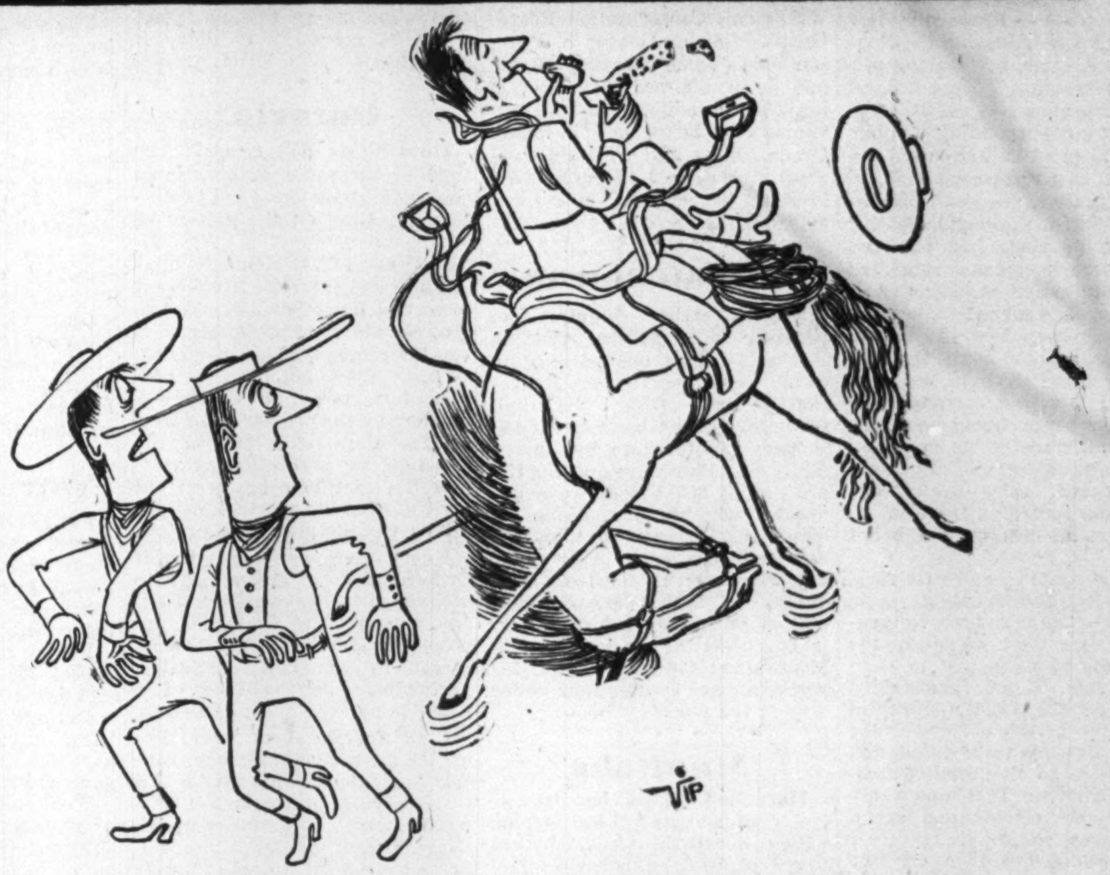

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CONSTRUCTION TRENDS

We're Outbuilding U. S. in Housing By 17% on Population, 100% on Income

By CLIVE CHATTOE

How are we doing with the 1935-45 housing backlog? Too much? Too little?

Looking at today's record prices and building volume—and keeping in mind the need of a continuing market in new homes—should we tighten building credit, loosen it or leave it where it is? U. S. experts are becoming worried, and we're outpointing the world's top nation in the 1948 housebuilding handicap.

Here's the score:

Canada, population under 13 million, national income $10.8 billion, new housing close to 100,000 units.

United States 145 million, $201 billion, 1 million housing units.

Thus, on a per capita basis we are building 17% more houses and apartments; on a national income basis 100% more (United States income is about 20 times Canada's, population nearly 12 times).

With housebuilding increasingly called today's top inflation factor, and with inflation dangers being re-examined with new urgency, the question of limiting building credit may be due for even closer study by government, mortgage and insurance authorities.

In the United States that very question recently has been given sharp public emphasis by bankers, fiscal authorities and economists.

Coaxing A Bust?

Last week, while President Truman was berating Congress for failure to pass the Taft-Ellender-Wagner housing bill with its provisions for almost boundless credit, slum clearance and public housing, the Federal Deposit Insurance Corp. was warning financial institutions against overexpansion of real estate loans. The FDIC, which insures deposits in 13,500 banks pointed with apparent alarm to real estate loans in affiliated institutions doubled in the past two years.

The U. S. Federal Reserve Board also has taken a cautioning position on real estate loans as inflationary. And L. Douglas Meredith, of National Life (Vermont) warned earlier of inflationary dynamite in easy building credit (The Financial Post, May 22).

If there is occasion for alarm about overbuilding in United States with a million units in the mill, it may be that re-examination of our own target of 100,000 houses and apartments a year is overdue.

For Canada, this question is urgent for two reasons, the effect of a high level of building on the national economy, and the effect of a perhaps excessive rate of building on the construction trades themselves. As far as the community as a whole is concerned, overbuilding can be a heavy contributor to inflation. For the industry itself, overbuilding now may mean too little building later on. And tomorrow always comes.

* * *

Kennecott Copper Plans Early Start on Railway

Quebec's Premier Duplessis last week announced discovery in 1946 by Kennecott Copper's Kennco Explorations of a world rank titanium deposit. He quoted Kennecott's Vice-president R. J. Parker as saying work would start "immediately" on a 27-mile $10 million rail link from Gulf of St. Lawrence to Lake Allard, Saguenay County, 400 miles northeast of Quebec City. Kennco, Mr. Duplessis confirmed, also plans a $12-to-$15 millions smelter at Sorel (The Financial Post, Jan. 10) and he mentioned need of a new 500,000-horsepower hydro-electric power plant to treat the ores electrolytically.

* * *

Delay Power Scheme?—U. S. Federal Power Commission hearing of Ontario-New York's St. Lawrence hydro proposal may not be scheduled until after the Dewey-Truman presidential vote in November. Public utility sources report a strong Republican fear of embarrassing Mr. Dewey by opposing the application. He has recommended it in favor of the almost 100-year-old proposal for Canada-U. S. development of seaway and power works at the same time.

* *

Credit for Builders—Washington last week saw President Truman slap an angry signature on the senate's (Republican) housing bill passed by Congress three days before. It provides mortgage insurance on large apartment projects and more liberal loans to manufacturers of prefabricated houses. There's no provision for slum clearance, public housing or farm housing such as featured the now shelved Taft-Ellender-Wagner bill which Truman favored.

In the presidential campaign recently opened it's now thought housing will be a top issue. Democrats predict collapse of the building boom because of "oppressive" mortgages and quick saturation of demand at present prices. Republicans claim private industry can continue building a million houses and apartments a year; denounce government housing as inflationary because it competes for limited manpower and material. Democrats counter that the number of houses built means less than the price of shelter, home prices having jumped 20% in the past year while average family income after taxes rose only 8%.

* * *

'War' House Contractors Now Quote Firm Prices

Ottawa's Maj-Gen. Hugh A. Young interprets this as "a small sign" the building cost peak may be near: Contractors are placing firm bids for government housing projects and now seem willing to bypass the escalator clauses in contracts, the vice-president of Central Mortgage & Housing Corp. said in a recent interview. But he warned, "there is still no certainty housing and construction costs have reached peak and they may go even higher."

Maj.-Gen. Young reported a seemingly bottomless demand for houses in the $7,000 to $10,000 class and only slight buyers' resistance in new homes above $10,000.

* * *

June-July Contract Drop Puts Builders on Alert

New housebuilding continues to be planned and started in record volume. But factory building's postwar splurge has all but drained the market at present prices and even the general building and engineering categories aren't doing the roaring business volume that opened the season.

Those are salient indications of construction award statistics for July and seven months. Here are highlights:

A one-third drop from June to July in value of awards for all types of construction. The June-July change last year was down—it often is at that seasonal juncture—but only 4% against this year's 33%.

New factory dollar volume is down 30% from the month before, engineering works down 64%. Factory awards in July at $4 millions are down 7% from a year ago, bringing a seven-month's total of $41 millions, down 17% from a year ago. Engineering awards in July at $20 millions are off 26% from the 1947 month, though the seven-months' figure of $150 millions is up 42%.

Looking again at the factory record, 1948's seven-month $41 millions compares with $39 millions in 1945, $87 millions in Post-war Year I and $49 millions last year, apparently plain evidence of the wane of an expansion cycle.

But that's for business building. Housing and public spending have been more than making up the difference and the all-construction contract total stands at $573 millions for seven months, up 43% from a year ago. (In United States new construction in seven months is put at $9.4 billions, up 36% from a year ago.)

Here's the whole Canadian July and seven months construction contract picture by categories.

CONSTRUCTION CONTRACTS AWARDED, CANADA
(Millions of dollars)
Source: MacLean Building Reports division Hugh C. MacLean Publications

	—7 Mos.— '47	—7 Mos.— '48	% Change from '47	—July— '47	—July— '48	% Change from '47	% Change from June '48
Housing	98.1	214.6	+118	17.9	38.3	+114	—6
Comm'l. & inst'l. bldg.	147.8	166.7	+13	23.2	27.4	+18	—13
Factories	49.4	40.9	—17	4.3	4.0	—7	—30
Engineering works	106.0	150.3	+42	27.1	20.1	—26	—64
All	401.7	572.8	+43	72.5	89.8	+24	—33

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It's Your Money

By W. BRUCE MacKINNON
Maclean-Hunter Editorial Research

Although special excise taxes have been reduced or removed taxpayers will recall that the control side of the "austerity" program is being retained by the government.

This means that the 200-odd extra customs and excise officials taken on last November (since increased to around 300) will continue to eat at the taxpayer's expense. The unspecified number of WPTB, Reconstruction Department and other employees kept on to administer the new controls instead of being dismissed as their other jobs terminated, will also continue to draw taxpayer's money.

Net result of governmental policies is that the taxpayer is currently supporting some 2,500 more civil servants than he was last October. Perhaps 1,500 of these owe their jobs to seasonal needs, but there are at least 1,000 new jobholders of a semi-permanent sort.

It would appear that in manpower, as well as in dollars, bureaucracy is scoring new victories over the taxpayer.

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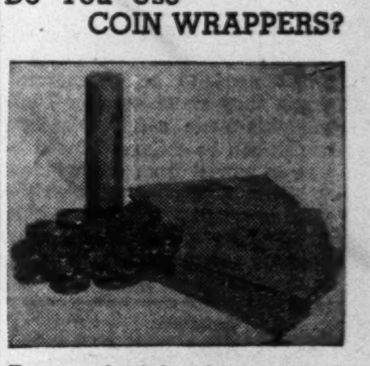

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What's New at 1948 CNE

New Ideas, Designs Will Feature Many Exhibits

To keep itself addicted to the habit of breaking records, Canadian National Exhibition has lined up a rich harvest in new exhibits this year, a variety of entertainment, and the unveiling, Aug. 27, of a major addition to its $30-millions plant.

Both the exhibitors and the CNE officials know they have to be good this year. Last year their efforts were bonused by the fact that, having been deprived of their "Ex" during the war, the public was eager to keep abreast of new product development. The result was that the world's largest annual exposition grew still larger, with 2,366,500 people clocked through the gates in 14 days. This beat the previous 1928 high by 300,000.

The 1947 record was reached without the use of the old grandstand, destroyed by fire the year previously. This year, a massive new grandstand will dominate the whole central portion of the Exhibition Grounds. It will seat 22,000 persons (6,000 more than the old one), and has been built within a scant 16 months at a cost of $3 millions.

Still, it takes more than buildings to bring in people, and the '48 Ex will have just as much to offer the prospective buyer and the merely curious as any of its predecessors. Here are a few highlights among the exhibits themselves:

First all-British motor show ever held in North America. All models and makes presently available for export gathered together at one time and place, as part of U. K.'s drive for exports to this continent. British industries, here in greater number than ever before, will occupy entire south wing of Governments Building. Again, British firms will get concession hitherto extended only to occupants of Pure Food building: they'll be allowed to sell directly from the exhibition.

Bell Telephone will put on a special demonstration of the use of teletype machines in business communication.

Show Design in Industry

National Gallery of Canada has teamed up with the University of Toronto's School of Architecture in staging a display for thoughtful business men; it's called "Design in Industry."

Imperial Oil Company will explore 6,000 feet below the Exhibition Grounds in a search for "oil" it doesn't expect to find. The drilling rig comes direct from the Leduc field.

Television won't be treated as much like a curiosity this time. It will be more of an advance merchandizing job. The public will get a glimpse of the compact sets designed for home use (tuned in to Buffalo). Skilled technicians will be on hand to give advice.

Canadair Ltd. will be displaying a cross-section of the "North Star" plane it is building for TCA and the British Government.

Radar is featured by several exhibitors in the Electrical Building, including a newcomer to the "Ex" — Cossor (Canada) Ltd. Equipment similar to that used on larger ocean liners will be shown in actual use.

Great Lake Steel Corp. will be ready to tell businessmen about industrial uses for the Quonset Hut.

Central Mortgage and Housing Corporation will have an array of sketches and model homes to lay before the house-hungry. Officials will be on hand to clarify points which arrive in connection with the National Housing Act.

The Italian-made small car "Fiat" will be introduced to CNE-goers by the Scarboro Beach Garage, Toronto.

Aluminum Co. of Canada will give the public a fuller chance to see its show "Aluminum on Parade." Previously it was shown at the International Trade Fair with public admission restricted to Saturdays.

The materials handling sections of the CNE is growing, as industry is increasingly made aware of the function of these labor-savers in modern warehousing, etc.

Department of Transport will show how the meteorological service works.

Among the farm implement makers, there's a trend towards display of tools usable on smaller properties. An instance is the increased number of garden tractors shown.

Toronto Transportation Commission will have models and other data on its proposed new rapid transit system — Canada's first "underground."

Home appliances, such as washing machines, ironers, and vacuums, will be more centralized at the CNE grounds to save the housewife's footsteps. They are taking over exhibition space in the new grandstand building (which will also house two restaurants, each serving 1,000 persons).

For the first time, the public address system (heard at scattered points throughout the CNE grounds) will accept a limited number of "commercials". These, however, must tie in with exhibitors displays. (For example, announcing time and place of a commercially-sponsored movie).

Canadian Industries Ltd. has signed up for 7,000 sq. ft. of exhibition space this year to give patrons a peek into chemistry in all its phases.

The foregoing are highlights. Besides the hundreds of exhibitors, there are some 250 who couldn't get indoor space this year; some 500 who couldn't get outdoor space.

This year, exhibitors pay between 60c and $1.50 per sq. ft. to get indoors at the CNE. Outdoor concession space is sold on a frontage basis at $40 and $50 a ft.

In all the buildings which stretch for 1½ miles along Lake Ontario, there are 2,265,000 sq. ft. of space for exhibitions, excluding the 24½ acres of connecting buildings (Horse Palace, Coliseum, and Live Stock Pavilion) for agricultural purposes. The agricultural prize list is $125,000.

Operating expenses of the 59-year-old exhibition now nudge the $2 millions mark (excluding the amount which exhibitors spend themselves in furnishing their booths, some of which are elaborate).

ABOUT YOUR TAXES — By STUART THOM

Clarification of Phrase 'Carrying on Business'

The judgment in the case of Martin vs. the Minister of National Revenue (not yet reported) discusses Section 2 (1) (g) of The Excess Profits Tax Act 1940. This section defines profits for the purposes of that Act as being, in the case of a taxpayer other than a corporation, the income of the said taxpayer derived from carrying on one or more businesses.

The salient facts were that the appellant had inherited from her parents a number of houses and apartment buildings together with furnishings and fixtures. These properties were let out to tenants and from the rentals received additional properties were purchased. During the years under review (1940-1943) the appellant had sold none of her properties and did not manage or let property belonging to anyone else. Commencing in the year 1939 she operated under the name of "Sun Realty Company," which was registered as a partnership. She was assessed for excess profits tax and the appeal was from such an assessment.

In the course of his judgment, O'Connor J. of The Exchequer Court said that neither the word "business" nor the expression "carrying on business" are defined in The Excess Profits Tax Act (nor are they defined in the Income Tax Acts, but see section 127 (1) (e) of the new Act) and said that there was no principle of law which lays down what "carrying on business" is. The question for consideration was whether the appellant was a mere landowner leasing her own property, which His Lordship felt was not carrying on business, or engaged in a commercial enterprise. On the facts before him he found that she was so engaged and dismissed the appeals.

When Is Business Carried On?

The judgment will be of particular interest to any taxpayers who have appeals pending under The Excess Profits Tax Act which turn on similar facts. But Section 2 (1) (g) of that Act is not the only instance in which it is important to determine whether or not a business is being carried on by a taxpayer.

Under the Income Tax Acts, profits from a trade or business are taxable income. In the case of the owner of real property, however, rentals received are taxable income by definition and whether or not a business is carried on will determine the liability or otherwise to the surtax of 4% which is imposed on investment income. Under both the Income Tax War Act and the Income Tax Act one category of earned income, as distinguished from investment income, is income from or derived in the course of carrying on, a trade or business.

The Martin case is the first time that a Canadian court has been called on to consider whether renting and managing real property is a business within the meaning of the tax Acts. Although it was decided under The E.P.T. Act, the judgment is equally applicable to questions arising under the income tax Acts.

* * *

Interesting U.K. Judgments

The decisions of British courts are not binding on Canadian judges but in the tax field as in many others they have a very considerable influence, particularly when the court is the House of Lords. Two recent judgments of that body might be noted for that reason. In Gold Coast Selection Trust Ltd. vs. Humphery 1948 W.N.280, it was held that although income could be in the form of a block of fully paid up shares the amount of income was not necessarily determined by the face value of the shares. In Smith's Potato Estates Ltd. vs. Bolland (at page 282) it was held that legal and accountancy expenses incurred to ascertain the true amount of income and excess profits tax were not deductible as disbursements "wholly and exclusively laid out or expended for the purposes of the trade."

* * *

Doctors' Expenses

In the notes which appeared in the issue of Aug. 7 the comment which followed the Directive regarding Doctors Convention Expenses said that there was an express disallowance of such expenses only in the new Act. This is not correct. The Income War Tax Act was amended this year to include the same provision and is applicable to individuals' incomes for the current year.

Resume Jason Mill Midsummer 1949

Known ore reserves at New Jason Mines and results being obtained in current development should enable company to resume production at 150 tons a day by next June, President C. O. Stee states. Drifting on 700-ft. level, south of former mill feed source, has disclosed three shoots for length of 563 ft., averaging 1.18 oz. across 30 in.

Five samples in the last ore shoot ran 7.08 oz.; 1.84 oz.; 2.40 oz.; 13.30 oz.; and 0.64 oz. The drift face has entered the tuffs, and a diamond drill hole is being put out to determine if this is merely a band of this formation or the limit of the porphyry zone. Last 243 ft. of drift ran 2.37 oz. over 23 in.

Drift on 5th level has opened an ore length of 31 ft., averaging $14.70 across 28 in. Two raises going up from 7th level are in ore. No. 2, up 68 ft., averages $12 over 15 in. and No. 3, up 39 ft., averages 2.36 oz. over 28 in.

Funds to cover development are being supplied in form of monthly draws under agreement with H. R. Bain. The latter has made firm commitments on $110,000, as well as guaranteeing bank loan of $56,000. Cost aid is estimated at $2 per ton when mill is reopened.

'Peg Houses in 7 Mos. Just Half 1947 Period

From Our Own Correspondent

WINNIPEG—City building permits for seven months include 576 new houses or half as many as in the 1947 period. Value of all kinds of building construction authorized in the city Jan. 1 to July 31 is $8.3 millions, off 30% from the 1947 period.

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WHAT'S NEW IN BUSINESS

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

Hand-sized Siren

Protection for bank messengers, merchants' pay roll carriers, and other "bandit bait" is afforded by hand-sized alarm. New Jersey maker says this self-contained device, operated by a powerful clock spring, emits a piercing call from its siren, runs for 35 seconds. Can be reset quickly. Since product is not a toy to be played with makers have omitted any method of shutting off the siren.

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Relays Telegrams

Western Union has facsimile machine which brings telegraph service right into your office. "Desk-Fax" both sends and receives; will handle either typewritten or longhand messages. The compact unit (10 x 11 x 7 in.) uses special telegraph blanks, 150 words per sheet. Message of that length is transmitted to central telegraph office (via electric stylus) in two minutes, eliminating telegraph messenger or phone. WU is taking applications at local offices, with machines becoming available in early fall. For telegraph service, customer pays only regular telegraph costs. Later, units may be available on a lease basis for interplant communication. Uses regular telegraph wire.

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Safety Platform

Window washers and painters won't need to be "harnessed" when they stand on new Philadelphia-made safety platform which can be collapsed for storage or moved from one window to another. Device rests on the outside window sill, and is held in place by a carbon steel bar, running across width of window, having its ends against the inside wall. Rubber guards protect wallpaper or paint.

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Thrifty Microfilming

New economies in microfilming process are promised by Design 190 Microfilm Recorder which (a.) allows one side of 16 mm film to be exposed at a time, doubling the number of possible exposures (b.) can record two rows of 8 mm images of front sides of documents, or record both front and back sides simultaneously (c.) gives 37-to-1 reduction ratio, said to be greater than conventional machines (d.) has automatic document-feeder which enables one operator to load documents and at the same time operate two or more machines simultaneously.

• • •

3-point Heat Control

Three-point controller for heating of homes and small buildings continuously measures outdoor, indoor, and heating system temperatures (i.e. temperature of the hot water or hot air actually in pipes or air ducts). Electronic amplifier translates the temperature measurements into controlling action whenever a temperature change takes place at any one of the three control points. Milwaukee maker says the controller virtually "changes the size" of the heating system in accordance with the outdoor temperature, so that full capacity of the heating plant is used only in severe weather.

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Displays in Depth

Chicago firm announces process by which colored car cards or window displays can be turned out in three-dimensions. "Triographic Process" involves lithographing the picture or drawing on a flat sheet of cellulose-acetate plastic, which is then molded over a sculptured die. The finished card combines part of the sketch raised in relief, with depressed areas where samples of the product can be placed.

• • •

Building Member

Representatives of British firm in Canada negotiating sale of patent rights on "Metalex", composite light steel and wood building material. Product consists of a series of standard sections of light cold-rolled steel, which, combined with wood bolted on the flanges, form beams or joists said to be considerably stronger in loading capacity than ordinary wood beams of comparable size, and also greatly economical in timber. "Metalex" construction is designed to carry out complete framing of buildings in a manner similar to the method of heavy steel frame construction.

• • •

Silo Cover

Mat made of Vinylite sheeting is placed on top of silage while curing in silo. Wisconsin maker says mat, by conserving the natural heat of fermentation and preventing evaporation, reduces the danger of frost to a minimum and preserves freshness of the silage.

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Awning Fabric

Unique awning fabric of fused glass fibres is coated with Vinylite resins to make it resistant to fire, mildew, and weather. The new material is available in 10 stable, nonfading, new colors. New Orleans maker says grease, soot, or dirt can be removed easily with soap and water, restoring the fabric to its original beauty even after long use and exposure.

• • •

Speedy Saw

British firm has produced a new circular saw which claims to revolutionize the cutting on the spot of pit-props, pulp wood, posts, rails, etc. Can be towed behind truck, car, or horse vehicle, and brought into operation within two minutes of arrival. Output is said to be double that of old-type bench saw, yet can be operated by unskilled labor. Driven by gasoline or fuel oil. Canadian distributors appointed.

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Box Segregator

"FMC Automatic Segregator" quickly sorts containers with products of different sizes, brands, grades, or colors. California firm says it is intended for use in packing houses, railway terminals, warehouses, and on industrial assembly lines. Capacity is limited only by operator-speed in selecting boxes and pushing the proper buttons.

• • •

Car Roll Map

Compact roller map is designed for motorists and flyers. Torontonian has applied for Canada-U. S. patent rights, and plans for September production. Pair of light spring-steel brackets attach quickly at dash level by car's own windshield screws. Attractively finished in colors to match any car scheme, the light steel tubular holder has oiled hardwood ends as attention-free bearings for wooden roller made like window blind. Setting pin holds map in any desired position until automatic release with downpull of plastic handle. Same pin doubles as winder to lighten roller tension. Readily detachable for backseat driver. Specially-designed maps are double faced; when full out they're suspended from roller on tape; reversible at a twist, rewind in either position.

• • •

Measures Vibration

"Recording Vibrometer" is new tool for studying vibration problems in factory buildings, gears, and motors. About the size of a loaf of bread, it measures and records vibrations on a constant-speed moving tape. Short metal prod is placed against vibrating object; sapphire point rests on tape.

• • •

Painting Machine

Fully automatic paint machine cleans, rustproofs, and paints up to 12,960 pieces of manufactured equipment per hour. Parts are hung from a conveyor which carries them through complete cycle and brings them out of baking oven, dry, in one hour 42 minutes.

• • •

Magnetic Pulley

Magnetic pulley pulls iron and other fine magnetic particles out of chemicals, powders, and salts. These particles stick fast to belt, then drop into a waste receptacle. Non-electric Alnico magnets concentrate strength close to face. Pennsylvania maker says magnetic field one inch from the pulley's surface is about three times as strong as that of standard magnetic pulley.

• • •

Non-staining Insecticide

Brooklyn firm claims its new insecticide is 10 times more effective than DDT on a wide range of insects. Nonstaining, "CD-68" is said to be killer of roaches, clothes moths, moth larvae, mosquitoes, flies, bedbugs, ants, ticks, lice, etc.—yet is less toxic to humans and warm-blooded animals than DDT. Will remain insecticidally potent for five weeks to two months after application.

• • •

Prefab Bathing Pool

Prefabrication has invaded the bathing-pool field. New York firm is offering tank (30 by 15 feet with depth graduations of 2 ft. to 6 ft.), constructed of ¼-inch nonskid steel plate. Two sections are welded together and laid into the excavated site.

GEORGE H. SHUTT

has been elected president and managing director of British American Silk Mills Ltd.

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DICKENSON RED LAKE MINES has completed about 80% of the crusher house and has installed machinery. Foundations have been poured for the mill building. Progress is made in underground development, and average grade of ore, in taking down backs and in stope preparation is estimated at 0.424 oz. per ton. Company is now entering what is considered to be the first part of the extension of the adjoining Campbell zone in south crosscut on 515-ft. level. The zone is believed to be 350 ft. wide and there is approximately 250 ft. of driving to complete before encountering diamond drill holes 84 and 85, in which rich intersections were obtained.

Million-acre Gang Ranch, B.C. Landmark, Changes Hands

From Our Own Correspondent

VANCOUVER — One of the largest ranches in Canada, the famous old Gang Ranch in Chilcotin area, which covers more than a million acres, has been purchased by W. Studart of Montana and F. Skelton of Idaho from Western Canadian Ranch Co. of London, England, for $725,000.

The property which has about 5,000 head of cattle now grazing on its vast stretches, is closely identified with the early and adventurous days of this province.

Before the turn of the century, cowboys from the U. S. "wild west" and the tough Texas cattle handlers, used to herd stock on it; and many consider it was one of the actual frontiers of the west.

The ranch was started in 1861 when Jerome and Thaddeus Harper took up land at Pike's Riffle in the Cariboo and began branching out. They expanded rapidly and acquired more and more land.

The actual Gang Ranch, which is supposed to have got its name because the first gang-plow was used on it, was not fully organized until 1883. In 1888 it was purchased by the Western Canadian Ranch Co. which had been founded by Thomas Dixon Galpin of London.

MATACHEWAN CONSOLIDATED MINES estimated net profits of $8,847 in three months ended June 30, were down from $87,822 in same quarter of 1947. Net income from metals produced was $201,515 as against $279,210. Drop in profit was due largely to treatment of lower average grade of ore and increase in costs from $2.81 per ton to $3.19. However, it is expected that mill feed will improve in current quarter so an improvement should be noted without taking into account the government cost assistance.

Boom Is Word For Brantford

8 Plants, 11 Additions, 18-month Record For Ontario City of 36,000

Brantford (pop. about 36,000), middle Ontario growth city in the Hamilton - Grand Valley industrial orbit, has contributed handsomely to Canada's postwar factory expansion splurge, now apparently settling back to normal.

In the 18 months of 1947 and first half 1948, Brantford Industrial Commission has clocked eight new plants, 11 additions costing together $10 millions, Secretary C. J. Kenyon reports. Here's his list of recent or current factory builders and expanders:

New—Bell City Foundry (grey iron castings); Brant Grey Iron Castings; Brant Aluminum Foundry; Brantford Brass Foundry; Brantford Molded Plastics; Hamilton Porcelain (electrical insulators); Seed Oil Products (extraction and feeds); Wilson Shoe (children's shoes, men's slippers); Woodex (wood patterns).

Additions — Barber-Ellis of Canada (stationery); Bay State Abrasive Products (grinding wheels, etc.); Brantford Refrigerator (commercial refrigeration equipment); Canadian Durex Abrasives (sandpapers, cellulose and masking tape); Cockshutt Plow (farm tools); Harding Carpets; S. C. Johnson & Son (polishing wax, varnish, enamel); Massey-Harris (farm tools); Proctor Packing (meat); Ruddy-Freeborn (refrigeration cases, coolers); Slingsby Mfg. (silk weaving, lingerie, blankets); Steel of Canada (bolts, pins, rivets).

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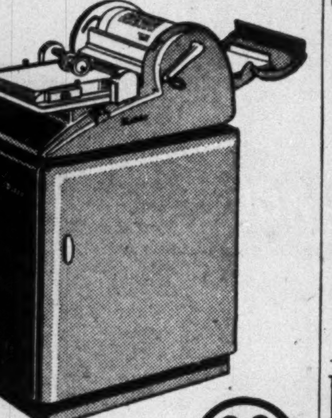

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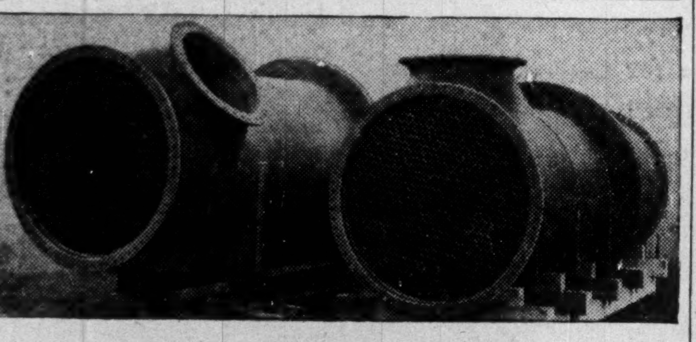

CONDENSERS

Illustrated is an excellent example of steel tubing and plate work built by Toronto Iron Works, for a prominent Canadian Chemical plant. The condensers shown are 6'—0" in diameter with 575 tubes.

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DE SOTO — MANUFACTURED IN CANADA BY CANADIAN CRAFTSMEN

The Financial Post

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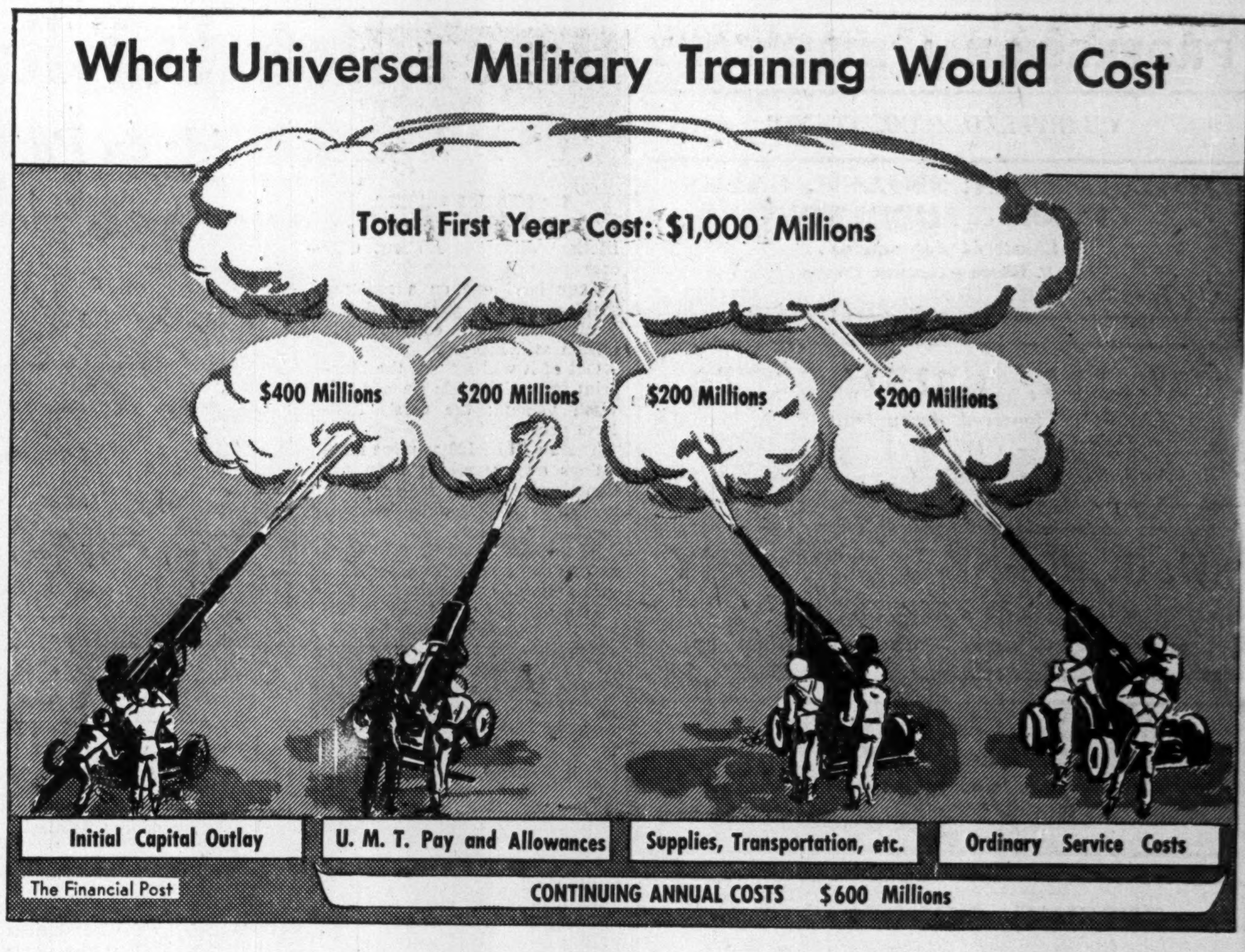

Train Youth for War?

Should Canada Put in Force Universal Military Training?

By KENNETH R. WILSON

Are you "for" or "against" universal military training for Canadian youth?

Are you one of the six-out-of-10 Canadians who, according to a recent Gallup Poll, believe that a year's compulsory training for every able-bodied young man would be a good thing?

Most experts think this would be "a deceptive hoax," "economic lunacy."

The issue has sprung to new life because the U. S. Congress recently moved toward conscripting youth for military training. Next month, the United States will start calling men under the selective service draft.

Britain has her system. Canada is forming a new defense partnership, with both Britain and United States. Are we obliged, morally if no other way, to do something similar?

The new U. S. plan must not be confused with universal military training. The latter is the conscription of all youth, as it comes of age, to serve in the armed services or to be trained for, say a period of one year, after the historic European pattern.

In the United States, the present plan is merely to select a very small proportion of men in the age group 19-25, and train them for 21 months. This is not by any means a "universal" program.

Wouldn't Pay Here

For example: probably between one million and 1¼ million youths come of draft age annually in the United States. Under universal military conscription, all these youths would get some form of training. The U. S. draft is only expected to touch about 200,000 to 225,000 in the next 12 months.

And the Americans are going to take these men not out of the new stream of 18- or 19-year olds, but out of the huge pool of 8,375,000 American males between the ages of 19 and 25.

If we started to do the same thing in Canada with our 766,000 males who are between ages 19 and 25, the results might be little short of an absurdity. We would be setting up a huge and costly nationwide draft machinery to produce, at the end of the spigot, a mere 20,000 or 25,000 trainees.

This, then is the first point: for Canada to do the same as the United States and match in this country, the present U. S. selective service draft machinery, would be unwise and unnecessary, in view of the very small end result which it would produce.

It would mean tying up literally thousands of persons in the red tape of administrative machinery. It would mean the imposition of something which has never had acceptance in this country — local draft boards whose responsibility, ultimately, would be to pick men for training by some form of a lottery.

Would Cost $1 Billion

What about complete universal military training for Canada?

Latest figures obtained by The Financial Post from the Dominion Bureau of Statistics, show that 107,800 males will attain the age of 18 in Canada this year.

Suppose we try to give all these young men — including the physically unfit — a year's training. What would it cost?

Based on Canada's experience during the last war, here are some rough but very conservative figures of what the taxpayer would then have to groan about:

	Millions of Dollars Annually
Pay and Allowances (including trainees, staff, services, etc.) ..	200
Supplies, Transportation, Ordnance, Equipment, etc.	200
Total	400

These would be annual costs and, for the most part, additional to the present cost of our armed services.

In order to get such an establishment going, a very large sum would be required for capital outlay, perhaps up to $400 millions.

Add these two together and you still have to throw in at least $200 millions for ordinary and continuing costs of the army, navy and air force.

The final figure of defense costs for the first year of operation under a military "draft" system would be about $1,000 millions; nearly 50% more than the entire estimated receipts from personal income tax this year.

The probable continuing cost would be $600 millions. That would be for our present defense arrangements, plus annual military training for the 100,000 Canadians who reach 18 years of age each year.

Is it worth it?

Even if the cost were not prohibitive, there are other potent arguments in the negative:

1. Loss of Manpower. Apart from the 100,000 young men who would be withdrawn from the potential labor market at a time when there are already critical shortages, it is estimated that to train 100,000 men yearly would require a manpower "overhead" of 50,000 — 33,000 to man training centres and 17,000 for personnel depots, hospitals, etc.

This means that for every two men trained, one man would be permanently tied up in training establishment. You can't run a basic training operation inside a defense force. We apparently proved this to our own satisfaction in the recent war, when we had completely separate basic training depots for the men who were actively training for combat and for the others.

2. Attitude of Other Services. It seems pretty well established that neither the navy or the air force would be interested in compulsory universal military training — except indirectly. There is probably no great enthusiasm in the Canadian army for it either — although top brass is mum on the point.

At any rate, this would be essentially an "army" training program, if men were to be kept there only for 12 months. Even the 21-month program of the United States doesn't allow much if any opportunity for specialization.

3. No Safety in Numbers. True, we would probably improve the health of a large number of young Canadians by UMT, but the consensus among experts leans to the view that for modern warfare, it isn't the mass of manpower that is important.

We need a pool of highly trained people, officers or civilians who are trained to serve as officers, noncoms, etc., who would be available in case of emergency. That is the present basic plan of the Canadian armed services. It is really a huge technical training organization, aiming to form the nucleus around which fighting services could be built on quick notice with, in addition, a relatively small, highly trained and largely airborne striking force to deal with any local attack.

Trying to create a vast manpower pool by annual 12-month training courses has been described by one veteran as merely creating "an unorganized mass of partially trained adolescents."

Hanson Baldwin, brilliant military correspondent of the New York Times, describes the scheme of universal military training as "a great deception — a defensive and obsolescent concept of war." He terms universal training as "horse and buggy military policy in an atomic missile age." He goes on to criticize it more roundly as providing neither the time nor the defense needed for modern warfare and as actually handicapping the development of realistic policy and program.

Mr. Baldwin cites enormous cost figures for the United States, plus the fact that tens of thousands of men would be immobilized in training and administrative jobs.

The situation in the United States is revealing.

The manpower pool there between ages 19 and 25 is 8,375,000. Of this number, about 5,200,000 are veterans of the last war and therefore, exempt from the present selective draft.

Out of the remaining number, about one million are married (and therefore exempt). That leaves an eligible group of roughly 1.5 millions. Out of these it is estimated that close to half will be declared mentally or physically unfit to serve in the armed forces. This leaves a final "net" figure of about 750,000.

It is from this residue that United States authorities will draft 200,000 to 225,000 men in the next 12 months. They will probably start with the 25-year olds (since they are the group who will automatically become ineligible for service under the present U. S. law when they became 26 years of age).

Speed Voluntary Enlistments

Actually the U. S. law doesn't say that so many men shall be drafted. It merely states that the strength of the U. S. armed forces shall be so many men. (The stated amount is approximately two millions, plus 161,000 first-year voluntary enlistees.)

Starting from this requirement the authorities are now given power to use the draft to maintain this strength.

Thus the U. S. system is not "universal military service" but merely a selective service draft.

Present estimates are that the U. S. services will actually require about 930,000 manpower in the next year, to keep their three services up to strength. It is estimated that they will recruit roughly as follows: 200,000 volunteers from the 17-18-year age group; 240,000 volunteers from the 19-25-age group; 200,000 re-enlistments; 60,000 volunteers from reserve forces. The remainder—about 230,000 by this reckoning—will be drafted.

Hence the real meaning and usefulness of the present U. S. system is this: it drives men into the three armed forces on a voluntary basis.

Only one quarter of the estimated need of the services will be found through the draft. But if it weren't for the draft, it would be much harder for the U. S. to keep its forces up to strength.

Applied to Canada, this reasoning has force; but as already indicated, it might be a wasteful and expensive plan. We would set up a cumbersome, distasteful, nationwide machinery of selective service in order to draft (in the final result and on a basis proportionate to that of the U. S.) only 20,000 or 25,000 men. Thus the inevitable and virtually unanimous conclusion that except as a device to drive men voluntarily into the armed forces, the U. S. system has little to commend it for Canada.

$50 Millions to Speed Growth of More Canadian Foods

Planned Diets for Farms and Gardens Now Fast-growing Canadian Industry

To many a grandma, baby's formula foods are just so much new-fangled nonsense.

So it is with some farmers and formula plant foods. But like the baby food manufacturers the chemical fertilizer manufacturers can point to their books for evidence that the "what-was-good-enough-for-my-father-is-good-enough-for-me" attitude is on the way out.

And with this trend Canada's chemical fertilizer industry is chalking up new business records which by any odds put the industry among the fastest-growing in this era of over-all acceleration in Canadian industrial development: production values have multiplied more than 18 times in little more than a quarter of a century.

For instance, back in 1921 the plant food men formed but a tiny segment of the Canadian chemical group of industries. Gross value of their production came to a comparatively trifling $2.7 millions, a slim 3% contribution to the chemicals total of $88.6 millions.

By 1946 that sapling in the forest of chemical industries had shot up considerably. The industry ranked third in the group's values-of-production list; its contribution to the total take of $376.3 millions was a sizeable 13% — $49.9 millions. Last year total sales topped $55 millions and some men in the industry forecast that their sales will be tripled in a very few years.

What's the story behind this remarkable growth? How does it fit into the over-all national economy?

The fertilizer business is everybody's business. It's industry's closest link with agriculture; its chemists are key men in our food supply situation; it's a main stay in our warmaking machine, for fertilizer and explosives are derived from the same basic elements. And in our present fight for U. S. dollars the industry is playing a useful part: of $34.4 millions of export business in fertilizers last year $20 millions was with U. S.

What makes the fertilizer industry such a vital one to the national well-being?

Let's go back to the baby food analogy. What the planned dietary afforded by baby foods does in building healthier youngsters than last century's crop, chemical fertilizers can do for our agricultural production.

There's no magic and need be no mystery about fertilizers. All the chemists have done is take another step in harnessing the elements which go to make up this earth and the atmosphere around it and put them to more readily available uses.

Principal among these is nitrogen, which makes up 78% of the air we breathe. It's absolutely essential to all forms of plant life and in general is absorbed through the leaves into the circulatory system of the plant combining at the roots with nitrogen already in the soil and with other elements necessary to plant growth.

Among these are phosphates and potash, present in varying degrees in all soils supporting plant life. There are others, of varying importance individually but in combination giving valuable assistance to growth such as calcium, magnesium, sulphur.

Now it will be obvious that the success of a farmer's crops will depend largely on the ingredients of his soil and in the balance in which they are present.

That's where the chemical fertilizer men step in. They produce and mix these various elements. As with humans, the same prescription will not cure all types of soil sickness. One farm may lack nitrogen, another potassium; some soil or plant might need a combination of both. The white-coated laboratory man is the soil doctor who prescribes the corrective medicine; the fertilizer manufacturer fills the farmer's prescription.

What can the prescription do in the way of better returns?

Farmer A was getting 25 bus. of wheat per acre from his land before treating it as prescribed. Afterwards he got 40 bus. With a $4 outlay on fertilizer he was able to add 60% to the productivity of his soil; the cash he received jumped from $50 per acre to $80. In fact, on the $4 investment in fertilizer he got a 750% return.

Farmer B, growing corn, figured his land would yield about 45 bushels an acre. The soil chemist reckoned that if he'd spend $4.50 on fertilizers he'd get 60 bushels.

Farmer C, in potatoes, found that whereas he got 90 cwt. per acre (worth $179) from his untreated land, he could double his yield by using the prescribed fertilizers which would cost him a mere $18.

But a dramatic increase in yield is not the only boon offered by the use of chemical fertilizer. It also stimulates quicker growth and early maturity. That is a big advantage in a country where the growing season is short, and the main reason why growers of large-scale relatively low-priced crops like wheat, are interested.

In a great many areas of Western Canada a week's difference in ripening may make all the difference between a profitable crop or a loss. Stimulated with a light application of chemical fertilizer the crop will mature ahead of the first normal frost.

Fertilizer is also widely used with fall or winter wheat in Central Canada, but not for earlier maturity, because there is no frost danger to wheat which ripens in July. In this case the chemical is applied when the crop is seeded in September to push growth along and get it into healthy condition to withstand the winter. Healthy plants like healthy humans are less liable to be stricken with disease and other pests than those not so robust and here chemical fertilizer plays or can play a most important part in almost all types of agriculture.

Of course, if the fertilizer is to succeed it must be properly used, scientifically applied. And, naturally, weather conditions are still a major factor.

Finally, fertilizers are an important aid in soil conservation — though, unwisely used, can "burn" the soil out.

Where do the raw materials come from for our fertilizer industry? Who are the producers?

There are 29 plants in Canada producing fertilizers of all kinds. Most of them (18) are engaged in the production of mixed fertilizers. Three companies are engaged in the manufacture of basic materials and five steel and coke companies sell fertilizer compounds as byproducts.

While Canada is a net exporter of fertilizer materials, there are a number of important ingredients which must be imported. Imports last year totaled 330,609 tons—the biggest single item being 141,975 tons of superphosphate. Dollar value of these, however, was only $6.6 millions, which left an export balance of $27.8 millions on fertilizer account.

It is possible that before many more years Canada will be virtually self-sufficient in all three basic fertilizer ingredients—nitrogen, phosphates, potash. Already Canada produces enough nitrogen fertilizers to meet domestic demand and leave an exportable surplus of approximately 800,000 tons. Nitrogen comes to the farmer in the form of compounds such as nitrates or ammonia.

Ammonium nitrate is manufactured by Consolidated Mining & Smelting Co. at Calgary and Trail and by North American Cyanamid Co. at Welland. Other nitrogenous materials such as ammonium phosphates, sulphate of ammonia are also produced at Consolidated's western plants. Ammonium sulphate is also made by the steel industry in its batteries of by-product ovens which produce coke for steel furnaces.

Phosphates, or superphosphates as the acidulated phosphate rock is called, is manufactured in Canada by Canadian Industries Ltd. at Beloeil, Hamilton and New Westminster. Phosphate rock, the raw material, must be imported. It is possible that Canada may become self-sufficient in this material too before many years.

Extensive phosphate deposits are known to exist in the Saguenay district of Quebec. And some estimates have placed the cost of production as low as $5 a ton. Present price is $6.20 f.o.b. mines for the Florida phosphate rock or $14.20 to $16.20 delivered in Canada. This means, of course that Canadian farmers are paying more for transportation charges than they are for the material. Hence, the Saguenay deposits have been under active investigation by Dominion and Provincial authorities.

For potash supplies, Saskatchewan looks like the best bet for the future. Today most of Canada's materials for potassium fertilizer come from New Mexico, California, France and Germany in the form of muriate or sulphate of potash. Estimates on the deposits northwest of Saskatoon have put potash reserves there as high as five to eight million tons per square mile.

How was our industry developed?

Development of the nitrates section of the industry was one of the major wartime triumphs of Canada's chemical research men. Prewar it was always considered that we couldn't get along in the fertilizer field without sodium nitrate from Chile's fertilizer beds.

In theory it was considered possible to substitute ammonium nitrate for sodium nitrate but in practice the stuff caked in its bags and so couldn't be spread on the fields.

It wasn't until the U-boats cut off Chilean supplies to us that our research men really went after the problem and they soon had it licked. Now, instead of buying Chilean nitrates from the U. S. we sell them our ammonium nitrates, which incidentally were developed on a large scale primarily for British war needs.

So much for the historical aspect. What's ahead for the fertilizer industry?

The fact for the present is that Canada is well down on the list for fertilizer consumption. A recent three-year average compiled by U. S. Department of Agriculture shows Canada using only 3 lb. of plant food per acre of arable land as against a consumption of 302 lb. per acre in the Netherlands, 160 in Belgium, 126 in New Zealand, 53 in Britain and nine in U. S.

Those figures have be qualified, however, to put them into proper perspective.

In the Netherlands, for example, virtually all arable land is under cultivation. That's obviously not so here.

At the same time, however, the situation of 25 years ago when there were still large tracts of the best agricultural land to be developed in the west is greatly changed. The business of breaking new land on the next lot to maintain and even increase production is just about shot. Additionally today's farmers must increase their production to take care of natural increases in the population plus increases through immigration and to provide the exportable surpluses needed to feed the world's increasing hungry millions.

How can this be accomplished?

Experts say this means one thing — soil conservation and the wider use of chemical fertilizers.

Agricultural experts and fertilizer manufacturers say that so far Canadian farmers have not recognized the value of commercial fertilizer on hay and pasture. It is claimed that these crops alone should account for 500,000 tons annually. In general, the farmer likes to apply fertilizer to cash crops—grain, potatoes, etc.—where the higher return is immediate and obvious. On pasture and hay, the benefit of fertilizers is less obvious and results are slower since the hay and pasture must be converted to cash through milk, beef, veal and other animal products.

Another reason for the expected increase in the production and consumption of fertilizers is the small tonnage now used on the Prairies. Out of a total of 86 million acres cultivated annually in Canada, 44 million are in the Prairies leaving 42.6 million acres in other parts of the country. But of the 650,000 tons of commercial fertilizers used in Canada annually, only some 40,000 tons are used on the 44 million Prairie acres.

Last year, Prince Edward Island farmers used an average of 214 lbs. per acre to lead Canada. In Nova Scotia the average was 154 lbs. Fertilizers are also used heavily in the Saint John Valley in New Brunswick, Southwestern Ontario, and the Fraser Valley in British Columbia. In this latter section, market gardeners apply up to two tons of fertilizer per acre over the long growing season and remove two or three crops.

Even eliminating the Prairies from their calculations, some fertilizer manufacturers estimate that consumption should climb from the present 650,000 tons to 1.5 million tons within a relatively few years. With the Federal and Provincial agricultural departments they hope to educate the farmer still further in the use of commercial fertilizers,

Probably the greatest incentive to greater consumption of commercial fertilizers is high prices for farm crops. This is borne out by the increase in fertilizer sales during and since the war when farm prices have climbed. Also when farm labor is scarce and wages high, the farmer wants the biggest possible crop from every acre.

What do the figures on consumption show?

They show an increase as remarkable as the growth of the industry, and the development of its products.

In 1933, half the chemical fertilizer sold was in the form of primary plant foods (nitrogen, superphosphates, etc.) and half mixed fertilizers. By 1940 the proportion had changed to 75% mixed and for the years 1940-47, compound fertilizers have averaged 85% of total consumption.

Consumption of mixed fertilizers last year totaled 657,000 tons—an increase of 28.3% over 1946.

This was about 90% above 1940 tonnage and 295% higher than in 1933.

Dollar value of mixed fertilizer sales alone was well over $20 millions.

In addition to mixed fertilizers farmers purchased some 90,000 tons of such basic ingredients as ammonium sulphate, ammonium nitrate, superphosphates, etc.

Does all this development in the chemical field mean that the good old-fashioned manure spreader is on the way out?

Not so, say the chemists. Manure and other organic matter are essential for the improved physical condition of the soil. They are a source of plant nutrients, without them the chemical fertilizer would kill off the plants whose growth they are supposed to stimulate.

And how should the layman go about using fertilizers in his garden plot?

These mixed plant foods come labelled with numbers for identification that look like football signals. These numbers indicate how the elements are balanced in the mixture.

For example there's 5-10-10. This means the mixture contains five units of nitrogen, 10 units superphosphates, 10 units of potash. In a compound labelled 0-14-7 there would be no nitrogen, 14 units of superphosphates, seven potash.

As we've already observed, all plants need nitrogen to stimulate vigorous leaf growth, stem and protein formation. Phosphates are needed for root development, early ripening and seed production; potash for development of strong straw, formation of sugars and starch which produce plump grain.

Thus the relative importance of the elements to various crops are:

Fruit—nitrogen, potash.

Vegetables — nitrogen, phosphate, potash.

Cereals — phosphates.

Forage-grasses — phosphate, potash, nitrogen.

Legumes — phosphate, potash.

Potatoes — potash.

Finally what about prices, currently under probe by the Prices Commission?

Fertilizer prices have trailed cash farm incomes and other commodities used by the farmer. While the composite index of prices for commodities and services used by farmers increased by 58% between 1939 and 1947, fertilizer prices increased by only 17%. (The average increase in fertilizer prices 1948 over spring, 1947, is about 9%.) From 1938-1947, cash income from farm products increased from 151% in Ontario to 217% in British Columbia.

Greater mechanization of plants has resulted in significant savings in labor costs in the industry's effort to lower prices. Nitrogen in solution in combination with the solid form has reduced manufacturing costs of some of the compound fertilizers. The use of solutions also reduces the time required for curing and improves the quality. Also, granular materials now used are less likely to set or cake in storage, thus increasing efficiency.

Who Makes Chemical Fertilizers?

Where de we get the basic ingredients for our chemical fertilizers? Who turns out the compound? Here's the score sheet:

THE SOURCES

NITROGEN — Canada supplies sulphate of ammonia, ammonium nitrate, calcium cyanamid and organic materials; nitrate of soda is imported from United States and Chile.

PHOSPHORUS — Phosphate rock imported from Florida.

POTASSIUM—Muriate of potash and sulphate of potash imported from California, New Mexico, France and Germany.

THE MANUFACTURERS

BASIC INGREDIENTS — Canadian Industries Ltd., superphosphates; Consolidated Mining & Smelting Co., ammonium nitrate, ammonium phosphates, sulphate of ammonia; North American Cyanamid Co., cyanamid, ammonium nitrate.

BY-PRODUCTS — Sulphate of ammonia, manufactured by Algoma Steel Corp., Dominion Steel & Coal Corp., Hamilton By-Product Coke Ovens, Montreal Coke & Mfg. Co. and Steel Co. of Canada.

COMPOUND FERTILIZERS — Manufactured by: Canada Packers (4); Canadian Industries Ltd (4); Agricultural Chemicals (2); International Fertilizers (2); Colonial Fertilizer Co.; Island Fertilizer Co.; P. Burns & Co.; Buckerfields Ltd.; Globe Fertilizer Co.; Misners Fertilizers; Read Brothers Fertilizers; Swift Canadian Co.; Summers Fertilizer Co.; Summerside Fertilizer Co.; United Farmers Co-operative Co.; William Stone Sons; Witts Fertilizer Works.

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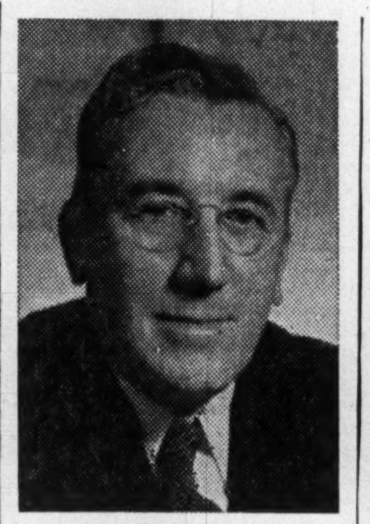
Here's How CCF Runs Its Convention

300 Delegates Decide on Party Platform of Socialization

By CYRIL BASSETT



M. J. COLDWELL

DAVID LEWIS

FRANK SCOTT

There's nothing of a once-in-a-lifetime atmosphere about CCF conventions.

They hold one on a national scale every two years, and this week sees the 10th convention in session at Winnipeg.

Out of it will emerge the blueprint for socialism in Canada, revised version; the CCF "first-term program."

There will be 100 or more resolutions on everything from nationalization of key industries to the removal of bounty on hair seals.

These CCF affairs are in some respects different from the Liberal and PC conventions.

One obvious difference is that the Co-operative Commonwealth Federation has currently no leadership problem. Major James Coldwell, 60-year-old one-time prairie schoolteacher, who inherited the leadership mantle from the late James Shaver Woodsworth, party founder, in 1939, has been in no danger of being removed. His re-election has been a foregone conclusion; a mere formality to occupy less than one minute of the delegates' time.

The number of delegates is less than 300 as compared with the Liberals' 1,299 and the P.C.'s 1,313;

Candidates for office have no opportunity to press their claims in speechmaking;

MP's are not ipso facto delegates. They have to be elected as such. Some are, some aren't. All can attend the convention, all can have a voice in convention discussions. Only if they're elected delegates do they have a vote.

Who are the delegates, how are they chosen?

There are three classes of delegates, who are all elected representatives, plus ex-officio delegates.

200 "Local" Delegates

Main body of the delegates is made up of 200-odd local constituency representatives. These are admitted on the basis that every organized federal constituency with not less than 50 and not more than 500 CCF members in good standing can send at least one delegate. Where membership exeeds 500 an additional delegate may be sent at the rate of one for each block of 500 or major part thereof.

Only in Saskatchewan are these constituency organizations able to send more than one delegate. Average membership in Ontario organizations is 300 to 500.

These constituency delegates are elected at organization meetings generally held two to three months before the convention.

The second class of delegates comes from local union or other economic, cultural or political organizations affiliated with the CCF—also at the same rate of one per 500 members; 12 such delegates are attending this year's convention.

The third class consists of representatives of the C.C.F. Youth Movement.

Ex officio delegates (49 all told) are all members of the party national executive and national council as it exists at the time the convention is called.

This national council comprises the party president (Mr. Coldwell), the national chairman (Professor Frank Scott), two vice-chairmen (Angus MacInnis, M.P., and F. R. Laroche); 10 members elected at the previous convention; each provincial president together with two other representatives for each province elected at annual provincial conventions; one representative appointed by the Cooperative Comomnwealth Youth Movement. Also on the council and elected by the council are Secretary David Lewis and Treasurer A. M. Nicholson, M.P.

Organizing the Convention

How is the convention run?

Just about everything from the word go is organized from the floor. The first morning sees National Chairman Scott open proceedings with a brief speech of welcome which inevitably stresses that the convention is a "people's parliament," that "every delegate has a direct responsibility to the people he represents."

Then two chairmen and four committees—Credentials, Resolutions, Constitution, Order of Business — are elected from among delegates.

Then National Secretary Lewis presents the report of the national executive and with its adoption the morning session closes.

By the time the afternoon session opens the Resolutions and Order of Business Committee are ready with proposals as to what resolutions shall be considered first, what limit shall be put on speaking time (at the last convention delegates had five minutes on any one resolution).

The first afternoon session sees a keynote speech by National President Coldwell, then delegates start plowing through the mountain of resolutions.

The great bulk of these will have been in delegates' hands for at least a month before the convention meets, but additional ones may come up at the last minute. The national council is given the power to decide what emergency matters may come before the convention for discussion.

Interspersed with discussion on resolutions are various departmental reports, statement of accounts, how the youth and university movements are progressing, what's happening politically in the unions.

How do the committees run the show?

The important organizational work is done by the Resolutions Committee which acts as a steering committee and the Order of Business Committee which keeps a close watch on operational progress.

These committees, by comparison with the Liberals and P.C. setups, are tiny bodies, generally three for Order of Business, seven for Resolutions.

The Resolutions

Who can submit resolutions?

They can come from the national council, provincial party conventions, constituency organizations, local union or other affiliated organizations entitled to representation. This year the main convention discussion centres on 10 resolutions submitted by the national council as the basis of a First Term Program for the CCF.

There are 34 others on national affairs, 17 on international affairs, and 12 dealing with party organization.

There's no limit on the number of resolutions any one constituency organization or provincial convention may submit, but they have to be in the national office at least 45 days before convention date.

What about elections at the convention?

The party constitution calls for the election of president, chairman, two vice-chairmen and 10 members to the national council which is the party's ruling body between conventions.

Election of these top men is by secret ballot from a list of nominated and seconded candidates drawn up at the convention. On the final day delegates cast their votes by marking off 10 names (for council membership). The first 10 in the order of voting are automatically elected to the council. There are no speeches by candidates.

Existing council members do not automatically stand for reelection; three or four of the 10 retire or are defeated in the biennial elections.

In the case of the four top officers elections to these offices are by straight ballot and only in the case of leadership change would there be any speechmaking.

Election of committee members is by show of hands; so is voting on resolutions.

The CCF National Executive

Major John Coldwell, precise 60-year-old CCF national president and parliamentary leader, since 1942 following death of founder J. S. Woodsworth. Was chairman of program and policy committee at party's founding in Calgary in 1932. Emigrated as Fabian socialist from England to Western Canada at 21, taught school and was active in teacher organizations for 25 years. First entered politics in Regina 1921 as city councillor. First bid for federal seat was in 1925 as "Progressive," lost deposit. Was first leader of CCF in Saskatchewan which won five seats in 1934 provincial election, but he was not one. Won Rosetown-Biggar in 1935 general election and has held this seat since.

• • •

Frank R. Scott, CCF national chairman since 1942, McGill professor of civil law since 1934, is leading party writer. Member of national council since 1937, past president of Quebec provincial council. On editorial board of Canadian Forum for 20 years. Has been editor, author or collaborator of several books on socialism in Canada. Educated in Quebec, where he was born in 1899, and at Oxford, was first teacher then lawyer. Joined McGill staff in 1928.

• • •

Angus MacInnis, M.P. for Vancouver East since 1930, is vice-chairman of the national council. Born and schooled in P.E.I., moved to Vancouver and worked as a motorman. Was two years school trustee and five years alderman. Is married to daughter of party founder Woodsworth, lives in Vancouver.

• • •

Francois Laroche national vice-president since 1944, former vice-president of Quebec City section, and member of Quebec provincial executive since 1943, is owner and president of Laroche Distributors, Regd. Educated at Laval University. He is 44.

• • •

David Lewis, CCF national secretary since 1937, born "Los" in Poland in 1909, joined party in Montreal soon after its foundation, was elected to national council at 1936 convention. Came to Canada in 1921. His father had been union leader and head of local socialist party. Lewis entered McGill, was editor of student monthly, chairman of McGill Labor Club, secretary of Montreal Labor Party. Went to Oxford 1932. Practiced law for three years on return, then joined CCF, has worked full time for party since 1938.

• • •

Alexander Malcolm Nicholson, M.P. for Mackenzie, Sask., since 1940, national CCF treasurer since 1942, has been an active CCFer since party began. First ran for Commons in 1935, was defeated. Born in 1900 in Lucknow, Ont., he went west as harvester, then attended University of Saskatchewan and Edinburgh University. Ordained as United Church minister. Preached seven years. Home is Sturgis, Sask.

• • •

Clarence ("Clarie") Gillis, M.P. for Cape Breton South since 1940, is one of the party's fieriest speakers and hardest workers. Left school at Glace Bay at 14 and went into the coal mines. Went to France at 17 in 1914 with 29th Battalion, returned to mines in 1919. Secretary and president of Glace Bay United Mine Workers local; also active in Nova Scotia Labor Party, which later became part of CCF. Born in Londonderry, N.S., in 1895.

• • •

George Maximilian Antony Grube, Belgian-born member of national executive, is classics professor at Trinity College, University of Toronto. Joined CCF in 1934, has been on Ontario provincial council since 1939, was president in 1944. Editor of Canadian Forum 1937-39. Educated at Cambridge, then university lecturer in England and Wales. Member of British Labor Party before coming to Canada in 1928. Served in Belgian and British armies World War I. Was Toronto school trustee, 1942 and 1943.

• • •

Guy Merrill Desaulniers, member national council, president of Quebec provincial section defeated CCF candidate recent provincial election. Graduated in law from University of Montreal, has practiced for 10 years, mainly on labor matters representing CCL, TLC and National Catholic Syndicate unions.

• • •

Stanley Howard Knowles, printer and minister is chief CCF whip in the House, where he has sat for Winnipeg North Centre, succeeding Woodsworth, since 1942. Before gaining seat in by-election, was provincial party secretary. Born in Los Angeles in 1908, of Canadian parents, moved to Manitoba in 1924, learned printing trade, (belongs to Intl. Typo Union, Winnipeg local) attended Brandon College, United College and University of Manitoba. Has served on Canadian UN delegations; toured Western Europe and Russia in 1946.

• • •

Percy Ellis Wright, M.P. for Melfort, Sask., since 1940, settled at Tisdale as farmer after World War I, became active in co-operative movement and was first president of local co-op. Also served as school trustee, and on wheat pool committee. Born in Ontario, in 1892 went to school in Toronto, then to Ontario Agricultural College, Guelph. Served overseas 1914-18. Home is at Tisdale.

• • •

Francis Andrew Brewin, Toronto lawyer, English born, grandson of A. G. Blair, former premier of New Brunswick and Minister of Railways in Laurier Cabinet. Former vice-chairman Toronto Welfare Council. Active as counsel for trade unions, and issues affecting civil liberties. Member Ontario executive, CCF, for 10 years; president Ontario section since 1946; chairman, Ontario CCF electoral committee in 1943 and 1948; defeated in St. Paul's in Federal election, 1945.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

LOBLAW GROCETERIAS CO. gross sales for fiscal year ended May 29, 1948, reached a new peak of $73,172,623, up 35.9% from the previous year's record. This reflects not only a substantial increase in the volume of merchandise handled, but also higher prices during the year, President Justin M. Cork states. The new record is more than three times the 1938-39 total of $23,128,430.

After all charges and taxes, net profit was $1,509,671, up 23.9%. Net profit per $100 of sales was $2.06 ($2.27 in previous year).

Inventories at year end were $5,081,639 or four weeks' supply of merchandise, compared with five weeks' supply at end of the preceding fiscal year. Merchandise commitments are being carefully watched under the present rapidly changing and somewhat difficult price conditions, Mr. Cork added.

Referring to modernizing and expansion, the president said the company will continue to erect a number of large, modern markets in key business locations where new and additional volume of business can justify present high building costs.

To service the rapidly expanding business, it became necessary to acquire additional warehouse and manufacturing space. The company obtained from War Assets Corp. 5½ acres of land and buildings on Fleet St., together with the unexpired term of the 999-year lease covering 800 ft. of harbor waterfront. (Lands and buildings formerly owned by the Toronto Shipbuilding Co.) It is proposed to use this property, which is diagonally opposite the Loblaw main warehouse, in consolidating warehousing, manufacturing and trucking operations, Mr. Cork states.

Reduction in working capital during the year is due to the program of modernization and expansion which necessitated substantial capital expenditures. Value of fixed assets has increased by over $2 millions and, after depreciation, net value of fixed assets is up $1,935,770. This increase comprises $407,493 additional lands, $739,813 buildings, $879,880 equipment and store improvements, and $110,588 motor vehicles.

Cost of doing business is substantially above the previous year, largest element in the increase being wages. The total of regular employees is now 3,611, with 1,530 part-time employees. Higher individual wage classifications account for most of the rise, Mr. Cork states.

INCOME ACCOUNT

Years Ended:	May 29, 1948	May 31, 1947
Gross sales	$73,172,623	$53,846,762
Net earnings	2,943,868	2,517,590
Less: Depr.	332,518	273,701
Inc. tax res.	980,000	835,000
Empl. pens. payt.	121,679	190,000
Net profit	1,509,671	1,218,889
Less: A & B div.	1,138,990	1,035,445
Surplus for year	370,681	183,444
Earnings per Share and Dividend Record:		
A & B: Earned	$1.82	$1.47
Paid	1.00+0.37½	1.00+0.25

CONDENSED BALANCE SHEET

As at:	May 29, 1948	May 31, 1947
Cash & govt. bds.	$853,058	$1,469,192
Accts., etc., rec.	392,530	287,325
Inventories	5,081,639	4,788,765
Total curr. assets	6,327,227	6,545,282
Misc. assets‡	294,649	178,008
Fixed assets*	5,680,180	3,744,411
Total assets	12,302,056	10,467,701
Divd. pay.	414,178	310,633
Accts. pay.	3,019,339	1,938,083
Inc. tax res.	450,392	521,514
Total curr. liab.	3,883,909	2,770,235
Deferred liab.	350,000	......
Contingent res.	400,000	400,000
Capital stock	2,654,422	2,654,422
Surplus‡	5,013,725	4,643,044
‡Incl. ref. EPT	32,455	32,455
*After deprec. of.	4,132,108	3,930,104
Working capital	2,443,318	3,775,047

CANDEGO MINES since commencement of milling early this year to June 30 has produced and sold 11,170 oz. of silver, 238,669 lb. of lead and 140,475 lb. of zinc concentrates from its Gaspe operation. A new ball mill has been installed in addition to the original one which, due to certain ore characteristics, could not handle more than 20 tons per day. The company anticipates handling 50 to 60 tons of ore per day.

O'LEARY MALARTIC MINES now holds eight groups of claims totaling over 8,000 acres in the Bachelor Lake area, President W. A. Hastie states in 1947 report. Additional acreage is owned in other areas as well as 30,000 shares of Belleterre Quebec Mines, 625,000 shares of Norterre Mines, 875,000 shares of Kyle Gold Mines, 707,000 shares of Warrenmac Mines, 724,000 shares of Westwood Cadillac Mines and other share interests. Current assets were $184,330 and liabilities $23 at Dec. 31.

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How Many Retailers Will Face Disaster If Sharp Break in Prices Comes Soon?

What will happen to retail inventories in a period of even fiercer competition? Should small retailers make more use of stock control methods? What are the major types of control? When should inventory controls be adopted? These are some of the questions answered in a digest of a Quarterly Review of Commerce article, by W. A. Thompson, Head of the Dept. of Business Administration at the University of Western Ontario and formerly Chief of Retail Services for OPA.

By W. A. THOMPSON

Retail merchants are familiar with the sharp upward rise of prices during the past few years, and what a sharp break in prices will mean to their biggest asset—their inventory. It is clear that inventory control is a phase of operations that deserves most vigorous consideration now.

Retail businesses are the most particularly vulnerable of all business. Stock on hand represents a high proportion of total assets.

Retailers' stocks today are higher than they have ever been. In a report issued in the United States there was indication that there had been an accumulation of $2 billions in inventory by industry in the current year. Confidential figures of a number of Canadian stores reveal that current stocks were running, on the average, much higher than last year. In some areas increases have been spectacular.

Many retailers are not in mental condition to meet the difficult problems ahead. It had been good business to break many of the rules regarding inventories built up during the 30's. In fact, much money has been made in pure speculation.

There is no use pointing out the well-known fact that retailing has been in a most comfortable condition during the past few years. This feeling of confidence permeates the whole structure of the industry. Many men in key positions have never had to meet the vigorous conditions that are probably ahead, and it is likely that many of them will not be able to cope with them when they arrive.

The cash position of many retailers is already strained. Actually, many have been carrying on businesses far too large for the equity held by the proprietor. Many tend to forget that the capital investment required to finance today's swollen rates is very large.

In addition to the strain of operating larger businesses, many retailers have increased their personal standards of living. These factors, along with bad practices, have meant slim amounts of cash in the bank.

Where does the small man stand?

It is believed that the position of the small and medium-size retailer is particularly vulnerable. Many of the problems which dogged their trail during the 1930's vanished in the 1940's.

The shortages brought on by the war tended to remove many of the advantages of the big stores. The manufacturer has not been so inclined to reduce his prices to get the big orders as he was during the 1930's.

Advertising allowances and other devices designed to reduce prices to large buyers have not been prominent. When vigorous competition returns, many of the 1930 trade practices will return. The moderate and small-size retailers' competitive position will suffer, and it is particularly desirable for them now to think in terms of putting themselves in a position to achieve survival.

However, there are other facets to the evolving problem. In addition to weighing the possible losses of the present inventory situation, the difficult continuing job of having just what is wanted with minimum risk should be considered.

What are key consumer factors?

1. Consumer expenditure for food is going up, both absolutely and relatively. It is now probably getting a 20% larger share than formerly of the consumer's budget. This means nonfood items will have a harder time competing for the consumer's dollar. If rent controls go off, another big slice of the consumer's pay cheque will be removed before the retailer has an opportunity to compete for it.

2. Present price trends are disrupting old customer buying habits. One of the difficult problems for sellers during the depression of the 1930's was the difficulty of picking a price level that was in line with usual customer needs. The rapid shift in consumer demand, forced by much higher buyer prices, will play havoc with estimates of demand by customers. There is a lesser tendency today for manufacturers to ask what prices are "good sellers" and make goods with this in mind. Actually, there is a revolution going on in usual customer buying habits.

3. There will be continued acceleration of the trend to offer new merchandise. One prominent U.S. manufacturer with 2,800 lines finds 40% of present sales are in lines that did not exist before the war. It appears that there will be fewer bottlenecks in production and a much larger flow of goods may be expected. In the event of a real tightening of demand and a loosening of supply, there will be a flood of merchandise to tempt consumers. Thus it appears that a much more difficult inventory problem is inevitable.

What makes up good inventory policy?

In a general way a good inventory policy is one that results in a minimum loss of sales without taking undue risk of financial loss. It is desirable to go a bit further and raise a few questions about the inventory control set-up. There are a few that might be proposed in connection with inventory control:

(a) Just what is in stock? Can this be found out at reasonably frequent intervals without undue expense and delay?

(b) How does this stock compare with a proper stock?

(c) Is there a proper assortment of colors, sizes, styles, prices? Are the fastest-moving lines well stocked?

(d) What proportions of stocks are in the various age categories?

(e) What has happened to slow-moving stocks? What proportion of the stock is slow moving? Is the inventory situation better or worse than two weeks ago, three weeks ago and so forth?

(f) What are the trends in sales and stocks of specific types of merchandise?

(g) What manufacturers are giving wanted merchandise? How are gross profits of their lines?

(h) Are employees tempted to pilfer because they know that there is little or no check?

(i) How does the stock compare with that of other stores? What is being done to set up standards so that it is possible to compare positions on a current basis from time to time?

(j) Is the stock-sales ratio used in judging the normalcy of the stock situation?

(k) Can all this information be obtained with minimum effort and cost? Is the staff sold on the system and actually using it?

What control devices are recommended?

The major devices used to achieve these objectives and to control inventories are the tools that have been in use for some years.

Straight visual control. The vast majority of retailers still depend wholly on this approach. Even more complicated schemes of merchandise control have gaps filled only in this manner. For a very large number of stores this is considered the proper approach. It works best, of course, where operations are relatively small. There is the high interest of a sole proprietor, a low risk inventory and a relatively static condition. A great number are using this approach without realizing its inadequacy for their needs.

Dollar control. In this category there is one of the most useful types—the retail method of inventory. It is a means whereby the retailer keeps track of his purchases, his markup on purchases and thereby establishes an initial markup percentage.

By keeping track of markdown and sales, it is possible to set up and calculate a book inventory at retail at any time. A cost inventory is ascertained, of course, by deducting the usual gross margin or initial markup from the book inventory.

The greatest value comes when the system is broken down into small, merchandise categories. The more a merchandise category is broken down, the more information is available to the operator. Of course, a book inventory can be obtained by the "cost audit" approach. By this method each sale is analyzed to find out the actual cost of merchandise sold. This approach is feasible when valuable items are sold, such as jewelry, furniture, etc.

Another dollar device is the merchandise budget, by which the operator breaks down his over-all operation to give him a forecast of sales, purchases, open to buy and closing inventories. The value of this approach, which is usually done on a six months' basis, should not be minimized. A leading retail authority claims that quite a number of stores are reviewing their budgets critically on a monthly basis. In summary, "dollar" control devices are prepared to answer the question of "how much."

Unit control devices answer the question of "what" in connection with merchandise control. While the various dollar control schemes are useful to both the buying as well as the financial end of the business, the unit control schemes are designed solely to give buying information.

There are several points at which a unit control system may begin. It may start with a record of orders or receipts, with a record of sales, or it may take the form of periodic inventories as a starting point. When it is relatively simple to record sales and where there is a substantial amount of re-ordering, a full perpetual inventory is preferred by most stores. Unit controls are needed most where there is high style, high risks and relatively frequent re-orders.

How are these control systems working?

Senior students of the Western business administration course recently called on a large cross-section of retailers in Western Ontario to ascertain the situation on merchandise control devices.

It is not easy to summarize the results of their activities. However, the present preliminary conclusions seem to be fair.

(1) The chain store and the very large store are using practically every device that should be used to give them the kind of information needed.

(2) The retail method is not used as generally as it was supposed. Not many large stores, (i.e. stores running with a 100 to 150 employees) were not using this very helpful tool.

(3) A few were using the real merchandise budget. Many were not making a real effort to calculate buying on a monthly basis. Stock-sales ratios were hardly used at all.

(4) Some of the chains and the larger stores are making a vigorous attempt to spot slow-selling merchandise.

(5) Actual physical inventories were not taken with any great frequency. Some of the more astute stores were going over their high-risk inventory with very great frequency.

(6) Records of merchandise controls have generally been kept by merchandising rather than by the accounting people. An exception to this is the chain store. Visual control and "by guess and by golly" method is very much in the saddle.

(7) Not too much constructive help is being offered to the retail trade. Some wholesalers are doing excellent work.

YOU ASKED US

The Financial Post will provide subscribers as quickly as possible with the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INVESTMENTS

Minn. & Ont. Paper

Would you give me some information on the financial position of Minnesota & Ontario Paper Co. common stock?

Minnesota & Ontario Paper Co. common stock is currently selling about $25 a share and yields 8% on the basis of the $2 indicated annual dividend rate.

Last year was the first year in which a dividend had been paid on this company which was reorganized in 1940 The initial dividend was 25c payable April 15, 1947, a second 25c was paid on July 15, 1947, and 50c was paid on Oct. 15, 1947, and on Jan. 20, April 20, and July 20, 1948.

Company's net sales for the six months ended June 30, 1948, were $25,966,341 ($23,879,413 for the same period in 1947). Net sales for all 1947 were $48,996,712 (29,464,110 in 1946, $24,479,811 in 1945).

Net profit, after income taxes on reserves for contingencies for the first six months of 1948, was $3,060,375 or equivalent to $2.37 a common share against the equivalent of $2.04 a share for the first six months of 1947. Earnings for all 1947 were equivalent to $4.46 a share, after contingency reserve, ($1.69 in 1946, $1.15 in 1945, $0.83 in 1944, $1.04 in 1943, $1.09 in 1942 and $0.91 in 1941).

Working capital was $11,662,652 at December 31, 1947, as compared with $8,788,735 a year earlier.

The company started a modernization expansion program in 1945, under which expenditures of some $11.5 millions were contemplated. Up to Dec. 31, 1947, some $9 millions had been spent on projects which had been completed or which were in process, with the likelihood that due to increased costs and prices, such expenditures would substantially exceed the figure of $11.5 millions stated in the annual report.

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DIVIDEND NOTICES

NOTICE OF DIVIDEND

JOHN LABATT LIMITED

Notice is hereby given that Dividend No. 15 of twenty-five cents per share has been declared on the outstanding no par value common stock of the Company, payable on the first day of October, 1948, to shareholders of record the fifteenth day of September, 1948.

By order of the Board.

L. C BONNYCASTLE, Secretary.

London, Ontario, August 13, 1948.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND No. 127

A dividend of 87½ cents a share has been declared on the outstanding no par value Common stock of this Company payable Wednesday, September 15, 1948 to shareholders of record at the close of business on Friday, August 20th.

By Order of the Board,

A. H. STUART, Secretary.

Walkerville, Canada, July 29, 1948.

NORMETAL MINING CORPORATION, LIMITED

INTERIM DIVIDEND NO. 5

Notice is hereby given that an Interim Dividend of Eight Cents (8c) per share, payable in Canadian Funds, has been declared by the Directors of Normetal Mining Corporation, Limited, payable 30th September, 1948, to shareholders of record at the close of business on the 3rd of September, 1948, subject to the regulations of the Foreign Exchange Control Board.

By Order of the Board,

W. HARRISON. Secretary-Treasurer.

Toronto, Ontario. 12th August, 1948.

ABITIBI POWER & PAPER COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 62½c per share has been declared on the outstanding Prior Preferred Shares of the Company payable October 1, 1948 to shareholders of record at the close of business September 1, 1948.

By Order of the Board.

L. B. POPHAM, Secretary.

Toronto, Ontario. August 12th, 1948.

ABITIBI POWER & PAPER COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 37½c per share has been declared on the outstanding Preferred Shares of the Company payable October 1, 1948 to shareholders of record at the close of business September 1, 1948.

By Order of the Board.

L. B. POPHAM, Secretary.

Toronto, Ontario. August 12th, 1948.

CANADA WIRE & CABLE COMPANY LIMITED

DIVIDEND NOTICE

CLASS "A" COMMON

The Directors of this Company today declared a dividend of $1.00 per share payable on the 15th of September, 1948, to Shareholders of record August 31st, 1948.

CLASS "B" COMMON

The directors also declared an interim dividend of 25c per share—as Dividend No. 39—payable on the 15th of September, 1948, to Shareholders of record August 31st, 1948.

By Order of the Board.

A. I. SIMMONS, Secretary.

Toronto, August 13th, 1948.

CANADIAN PACIFIC RAILWAY COMPANY

DIVIDEND NOTICE

At a meeting of the Board of Directors held today a dividend of two per cent (fifty cents per share) on the Ordinary Capital Stock in respect of the year 1948 was declared payable in Canadian funds on October 1, 1948, to Shareholders of record at 3.00 p.m. on August 23rd, 1948.

The Directors desire to point out that railway operations for the first half of the current year have contributed nothing to the payment of this interim dividend. Continuing increases in the cost of materials and supplies, and heavy increases in wages (retroactive to March 1st) which alone will aggregate annually $27,200,000, or more than the net railway earnings for the previous year, have completely offset the increase in freight rates which became effective on April 8th. An application for a further increase in rates became imperative and application has now been made to the Board of Transport Commissioners for a twenty per cent increase including an interim increase of fifteen per cent pending final disposition by the Board.

By Order of the Board.

FREDERICK BRAMLEY, Secretary.

Montreal August 9, 1948.

Belleterre Quebec Mines, Limited

(No Personal Liability)

DIVIDEND NO. 7

Notice is hereby given that a dividend of ten cents (10c) per share in Canadian currency will be paid on September 15, 1948, to shareholders of record at the close of business on August 16, 1948.

By order of the Board.

W. B. DIX. Treasurer.

Dated at Toronto, August 10, 1948.

Acme Glove Works Limited

DIVIDEND NOTICE

An interim dividend of Twenty Five Cents (25c) per share has been declared on the Common Shares of Capital Stock of this Company, to be paid on the first day of October, 1948, to holders of such shares of record on the share records of the Company at the close of business on the seventeenth day of September, 1948.

By Order of the Board.

C. H. DAWSON, Secretary.

Montreal, August 11th, 1948.

LABOR ROUNDUP

Will a Showdown on Woodworkers Widen TLC Rift Over Communists?

Eighteen Northern Ontario pulp and paper operators this week got down to Toronto and brass tacks on steep new demands from the Red-riddled AFL Lumber & Sawmill Workers, membership around 4,000.

Opening of wage negotiations Thursday meant much to rank-and-file Canadians, whether they knew it or not. There was more than an inflationary threat to all — demands include a general $2 hike to give the lowest paid $8.50 a day and highest over $20, terms recalling in severity the ones which precipitated the crippling six-week strike in the same industry two years ago. And newsprint is Canada's greatest earner of U. S. dollars.

As well, the new wage crisis in the woods may bear seeds of out-and-out war between the Commies and antis in the already CSU-troubled Trades and Labor Congress (The Financial Post, Aug. 14). While this might help bring the sorry Communist issue to a head, it could also blast inter-union harmony, with results damaging to labor and management alike.

Here are main demands from Ontario woodsmen:

1. $2 a day more for all; $8.50 minimum for unskilled; cooks $10, cookees $7.70; blacksmiths $10.25, mechanics $10.55. (Highest paid, on piecework already earn as much as $20 a day; cutters who saw fallen trees in four-foot lengths get $17 to $20 on piecework. Haulers average $11.38 a day.)

2. Individual paper cups (asked for first time).

3. Recreation buildings with regular movie showings, library including at least one copy each of two daily newspapers, radio, bulletin board, etc.

• • •

UMMS Anaconda Local Joins Fight Over Reds

The ever-widening "Red" split in the International Union of Mine, Mill and Smelter Workers (CIO-CCL) — in which Communists and anti-Communists for months have battled for control in Northern Ontario — this week was extended to New Toronto, the 700-member Local 811 and 1947 strike-famous Anaconda American Brass.

Pending outcome of the uproar in the north, the Anaconda local has been taking what might be called a "positive" part — just not sending in per capita taxes to IUM's Chicago office, banking them instead in a "wait and see" account. So, on Sunday, Robert Carlin, director of the Canadian district in Ontario and Quebec, and John Clarke, international president, staged a "closed" meeting of the local membership in a New Toronto theatre.

There was, it's understood, no showdown on affiliation and no fireworks, though exchanges at times are said to have been warm. But on Monday the big Anaconda plant was abuzz and employees said "rumors" as to what might develop ran all the way from a shift by the local within CIO to C. H. Millard's United Steelworkers, to a complete break and AFL affiliation, possibly with the boilermakers. Bernard Doherty, IUM's international representative for New Toronto is said to favor shift to the CIO steelworkers. Many who joined an independent local after the Doherty-led strike of 1946, plus others who never liked UMW's red tinge, favor a clean jump over the fence to the AFL boilermakers.

• • •

Plant Shuts, But Talking — Benedict-Proctor silverplate manufacturing plant at Trenton, Ont., with 130 workers and $200,000 a year payroll definitely will shut down this week end "because of unproductive labor at high hourly rates." President H. J. Craddock told The Financial Post. Last-minute talks in search of an alternative solution were being held at midweek with President Harold Blakely of Local 44 International Jewelry Workers (AFL-TLC) immediately after the union withdrew wage demands to help lift the 35-year-old business out of the red. But Mr. Craddock, who with associates bought the enterprise 20 months ago, said only sharp increase in productivity would enable it to continue.

• • •

Pickets "Hustle" Bosses—Shutdown of the strikebound McKinnon Industries, St. Catharines (General Motors Corp.) was ordered Monday by company officials. The move followed more skirmishing between salaried personnel and pickets and leaves only company police in a plant normally employing over 3,000. This statement accompanied the order: "The union (Local 199 United Automobile Workers, CIO-CCL) has resorted to unlawful mass picketing. We do not want to have our supervisory, salaried and office personnel subjected to the abuse many received and have decided to close down all operations until further notice."

Dime Averts Jet Strike — An average 10c hourly increase for 1,000 at the A. V. Roe turbojet aircraft engine plant in Malton, near Toronto was accepted Sunday instead of the 15c hike demanded by Local 717 of the International Association of Machinists AFL-TLC affiliate. A strike had been scheduled Saturday. The contract, effective Aug. 12 for one year includes six statutory holidays with pay, triple time for statutory holiday work, 10c-an-hour increase for night shifts.

• • •

Too Low for Pilots—A conciliation board has failed to settle the wage dispute between Trans-Canada Air Lines and 225 pilots (captains) and co-pilots in the domestic service, members of Canadian Air Line Pilots' Association. Pilots in charge of 2-engine craft get between $420 and $770 a month, depending on seniority and terrain traversed. They want this upped $126 to $216 or to a $546-$986 range, against TCA's offer of a $30 flat increase, and they want even bigger hikes for 4-engine pilots, corresponding ones for co-pilots. The majority conciliation report suggests: (a) general increase of $30; (b) additional $100 or total raise of $130 for 4-engine pilots; (c) for senior co-pilots, a new classification "reserve captain" at $400, or $30 more than they're drawing now.

• • •

CCL-CCF Off the Air — A Canadian Congress of Labor broadcast was all set to feature CCF candidates in this week's Alberta election. When Calgary radio station CJCJ's manager Don Mackay said no, CCL special organizer Murray Cotterill at once appealed to Canadian Broadcasting Corp. Mackay's ruling was upheld. The "dramatic playlet" was to have presented CCF speakers in an interview, with background noises and sounds.

• • •

Overweight in ILO?—In the international labor organization, management and government undemocratically outnumber trade unionists three to one, Russian delegates said this week in a resolution put before the United Nations economic and social council at Geneva.

DIVIDEND NOTICES

The Great West Saddlery Company Limited

6% Cumulative Second Preference Stock ($50.00 par Value)

A dividend at the rate of six per cent (6%) per annum, being the accumulated dividend for the three months ending September 30th, 1948, on the Second Preference Stock, has been declared and authorized to be paid on September 30th, 1948, to all Second Preference Shareholders of record with the Transfer Agents of the Company at the close of business on August 31st, 1948.

By Order of the Board,

J. S. HENDERSON Secretary.

Winnipeg, Man., August 16, 1948.

Sylvanite Gold Mines, Limited

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND NO. 72

TAKE NOTICE that a quarterly Dividend of 1½% (i e one and one-half cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as Dividend No. 72.

Such Dividend will be payable October 1st, 1948, to Shareholders of record at the close of business August 20th, 1948.

In the case of Share Warrants such Dividend will be payable on or after October 1st, 1948, in respect of the shares specified therein upon presentation and delivery of Coupon No. 72 at: The Canadian Bank of Commerce, Toronto, or any Branch of said Bank in Canada (far Northern Branches excepted), or Liberty Bank of Buffalo, Buffalo, N.Y.

BY ORDER OF THE BOARD,

W. S. WALTON, Secretary.

August 11th, 1948.

Sicks'

SICKS' BREWERIES LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Common Dividend (No. 77) of 25 cents per share on the No Par Value Common shares of the Company, issued and outstanding, has been declared payable on the thirtieth day of September, 1948, next, to Shareholders of record at the close of business on the thirtieth day of August, 1948.

By Order of the Board,

I. N. WILSON, Comptroller.

CALGARY, Alberta, August 11th, 1948.

Canadians Turn To Fish As Meat Prices Rocket

Despite the rarity of canned salmon on grocers' shelves, Canadians consumed one million cases last year—about 70% more than prewar. At the same time Canadian housewives came home with more frozen fish in fillet form than ever before.

Skyrocketing meat prices threw business into fish-packers' hands, and 1947 represented record earnings for several of the large fish firms. Any further meat price hoist as a result of removal of cattle embargo to United States is expected further to sharpen demand for Canadian seafood.

But it hasn't all been clear sailing for the fish processors. Supply of fresh salmon to British Columbia packing firms varied considerably during the year as a result of Ottawa's experiments in relaxing war-born controls on export of fresh salmon. Since higher prices generally obtained on fresh and canned salmon in the United States, any relaxation on export controls resulted in sharp drop in salmon available to B. C. packers. At the same time the packing firms were prevented from taking advantage of higher U. S. prices because of a 25% ad valorem duty on imports of canned salmon into the United States. Effect of the tariff differential between the raw product and the finished product was to drain off raw product to the U. S. market.

Protect Home Market

As a result of representations to the Canadian Government, controls were altered and in some cases reimposed. At the moment the picture is this: sockeye salmon and pink salmon may not be exported either fresh or frozen; cohoe salmon may be exported fresh up to Sept. 1, and there is no prohibition on export of frozen cohoe; chum salmon may not be exported either fresh or frozen up to Sept. 1, and thereafter may be exported frozen only; spring salmon is free for export at all times.

Had this action not been taken by Ottawa, United States canners, without any investment in Canada or permanency of operation, would have been in a position to take up for canning in the United States a large proportion of the Canadian raw material by reason of their ability to sell on the highly inflated United States market, B. C. fish processors say.

Another headache for west coast fish packers is what to do with the huge indicated herring catch from now on. Last year production reached a new high of 171,434 tons. Throughout the war and postwar years to date, canned herring has been in heavy demand for war and relief food purposes. Indications now are that overseas demand will be sharply reduced this year. Packers will have to cut back production substantially, and look to new forms in which the raw product may be processed.

Total salmon pack this year to date is greater than in any of the previous eight years; but the industry does not expect as large a total pack as last year. Following are production figures for chief west coast fish for last four years.

	1944	1945	1946	1947
Canned Salman (in cases):	1,097,557	1,739,310	1,348,138	1,505,158
Herring (tons):	113,20.	94,517	124,995	171,434
Pilchards (tons):	59,116	34,387	3,991	485
Frozen Fish (in lb.):		33,873,100	44,803,800	41,161,900

New Collapsible Granary Solves Storage Problem

From Our Own Correspondent

WINNIPEG — A collapsible granary with a capacity of 400 bushels which weighs little more than a pail of water, may help to solve the storage problem for prairie farmers.

Invented by a Manitoba civil servant who has taken out patents in the main grain-producing countries, the granary has been put on exhibit and a Winnipeg manufacturing firm has already received offers for 1,000 from a Brandon distributing agency.

The granary is designed in the shape of a cone, the angle of the sides identical with those of a pile of grain dumped on the ground. It is made of a fiberine material manufactured in the United States, resistant to all kinds of weather and to vermin. No wooden floor is required, as the fiberine is used for this purpose and resists water getting in from the bottom. Grain is poured in at the top, through a funnel.

The granary can be retailed for under $40. Tests have proved the most suitable size is one holding 400 bushels.

Grain Prices

Winnipeg Grain Futures

Week to Aug. 16, 1948

Crop Year from Aug. 1, 1948 High	Low		High for week	Low for week	Close Aug. 16
		Oats			
.86⅛	.66⅜	Oct.	.80	.76⅞	.78⅝
.81¼	.69⅝	Dec.	.76⅜	.73⅜	.75¾
.76¾	.71⅛	May	.76¾	.73	.75⅞
		Barley			
1.25¾	.96½	Oct.	1.11⅛	1.07⅛	1.09⅞
1.10½	.98⅜	Dec.	1.06¼	1.02⅞	1.05⅜
1.05⅝	1.00⅜	May	1.05¼	1.00⅝	1.04½
		Rye			
3.05¼	1.60	Oct.	1.72½	1.63	1.69⅞
1.99¾	1.55¾	Dec.	1.70½	1.61	1.67¼
1.73½	1.62¾	May	1.73½	1.63⅛	1.70¼

Cash Quotations

For Week

	Aug. 16 High	Aug. 16 Low	Prev. Week High	Prev. Week Low
Oats				
2 C. W. ..	.81⅝	.69⅛	.79¼	.76⅛
3 C. W. ..	.85⅝	.78⅛	.77⅝	.74⅛
Barley				
1 Feed ..	1.10¾	1.06	1.13⅜	1.06⅜
2 Feed ..	1.07½	1.04⅜	1.05¼	1.03⅜
Rye				
2 C. W. .	1.70	1.65⅝	1.67	1.62½

News of Advertising

Six more members have been appointed to the Joint Committee for Advertising Research. This is the group (chairman: H. H. Rimmer, Canadian General Electric) which is working to extend the activities of the Advertising Research Foundation (New York) to Canada.

The new members are drawn equally from the Association of Canadian Advertisers and from the Canadian Association of Advertising Agencies. From ACA are L. E. Phenner, president of Canadian Cellucotton Products Co.; R. E. Sewell, Coca-Cola Ltd.; and F. S. Auger, Procter & Gamble Co. of Canada. From CAAA are J. E. Brittain, Russell T. Kelley Ltd.; Douglas C. Brace, vice-president The James Fisher Co.; and W. J. Bowman, vice-president, Walsh Advertising Co.

ARF-directed research will get under way with a survey of "car cards" in Winnipeg this fall (The Financial Post, June 19). Latest report on this job is that 12 advertisers whose cards will be the subject of the study, were selected this week. To make sure that responses are not influenced in any way, the list is not disclosed for publication. A major factor in picking the cards from the entries submitted by firms wishing to participate was suitability (e.g.—no confusing similarity to advertisements which have already appeared in the Winnipeg market).

The Canadian Street Car Advertising Co. pays for the researching. The participating advertisers pay only the normal cost of having their cards posted in Winnipeg during November. In return for having their work used as "guinea pigs," they learn a great deal about its effectiveness.

• • •

Harold F. Stanfield Ltd. announces reorganization of its Vancouver operation with the opening of a fully equipped and staffed office in the Copp Block on Hastings St. W. Heading the Vancouver office is John R. Markey, former accounts supervisor for Stewart-Lovick and MacPherson Ltd. Born and educated in B. C., he worked in sales promotion work in British Isles and in Canada; served with Seaforth Highlanders until wounded in 1942. Associated with Mr. Markey will be Stafford D. Plant, formerly Stewart-Lovick's creative director. He's also war veteran, with earlier experience with printing, lithographing, and engraving firms in Eastern Canada. Radio advertising will be placed by Dorothy McQueen.

• • •

O'Brien Advertising Ltd. (Vancouver) has two clients who are telling public how the "free opportunity system" works.

B. C. Federation of Trade and Industry sponsors advertisements, 3 col. x 140 lines, in selected B. C. dailies, explaining part which profits play in industry. Separate campaign for selected B. C. weeklies is editorial-type column "Over the Fence," written by a senior journalist, W. L. McTavish. Radio and direct mail is now being prepared to portray importance and responsibility of sound management.

Standard Oil of B.C. throws its advertising weight behind a campaign along somewhat similar lines. Major feature is a series of 4 col. by 161 line advertisements in more than 50 daily and weekly newspapers under theme "Going Steady with British Columbia." Theme also is employed on posters, bulletin boards, magazine, and radio advertising. Advance slicks of the newspaper advertisements are being forwarded to 8,000 opinion-makers in British Columbia, who are asked to forward suggestions and criticisms at Standard of B.C.'s head office.

• • •

Cockfield Brown & Co. directs advertising for Canadian National Exhibition. Ads will be concentrated this year chiefly in a selected list of Ontario and Quebec daily and weekly newspapers. Preliminary advertising calling attention to the "Ex" dates appeared in national magazines, roto sections, and various trade publications. Radio advertising takes the form of a series of live spot announcements, and a half-hour opening program on an Ontario and Quebec network. During the Exhibition, a 10-minute program will be used nightly on a group of Toronto stations. Extensive billboard campaign to register dates opened early in June, with the second showing planned for August. New grandstand is featured, also appearance of Welsh Guards.

• • •

Russell T. Kelley Ltd.'s autumn-winter campaign for McLarens Ltd., Hamilton, Ont., food product manufacturer, will begin in early September and will use 33 daily newspapers from coast to coast. Advertisements, prepared in English and French, are said to combine attention value of earlier McLarens ads with the additional advantage of product identification. For time being, campaign is limited to six McLarens products: McLarens Olives, Hi-Ho Puddings, Jelly Powders, Nut Crush, Freez-Easy, and Crispie Pickles.

• • •

Harold F. Stanfield Ltd. (Toronto) appointed, effective immediately, to direct advertising for Rolls Razor. Plans for fall and winter are now being considered. Rolls Razor is distributed in Ontario, Quebec, and Maritimes by Richards Glass Co., Toronto; in the prairie provinces and British Columbia by F. J. Bossons Ltd.

• • •

Walsh Advertising Co. Ltd. is beaming Department of Fisheries' export campaign to Latin-American countries. Ads appearing in English and Spanish in a list of Canadian and American export papers tell foreign buyers how they can get a slice of the billion-and-a-quarter lb. "catch," hauled in annually by Canada's commercial fisheries. Canadian Government trade representatives are listed.

• • •

Vickers & Benson Ltd. (Montreal) prepares fall and winter advertising for Harriet Hubbard Ayer of Canada Ltd. It is understood the national magazines and daily papers from coast to coast will be utilized in advertising this cosmetic line.

• • •

Merck & Co., Montreal manufacturing chemists, appoints Thomas H. Paaske sales manager, in charge of all advertising and sales activities of the company. Mr. Paaske has been vice-president and general manager of C. E. Jamieson & Co. (Windsor, Ont.) for the past year; before that, spent several years in sales administration in the food and pharmaceutical industries.

• • •

Garry J. Carter of Canada Ltd. appointed to handle advertising for agricultural implement firm of Hough & Collins, Toronto. Present plans call for newspaper and trade journal advertising.

• • •

Norton B. Jackson appointed advertising manager of St. Regis Sales Corp., subsidiary of St. Regis Paper Co. He was previously American Can Company's advertising manager, also with Thatcher Glass Manufacturing Co. Inc., Elmira, N.Y.

• • •

Garry J. Carter (Toronto-New York) appointed to handle Canadian advertising for Plasti-Kote Inc., a U. S. firm. Plans are now being formulated.

• • •

Atlantic Advertising Agency Ltd. (Sackville, N.B.) appoints H. N. Haken as account executive. Born in England; entered advertising in 1930; after seven years' experience in Britain, went to Newfoundland as advertising and display manager for a St. John's fashion house; was Newfoundland's first "Esso Reporter" and at same time gave Newfoundland advertisers their first agency service; went to Montreal in 1946 as one of the founders and production manager of Guardian Associates Ltd., a publishing firm covering Newfoundland field.

Cool water...

Wood's Electrically Refrigerated Water Coolers : : : easy to install. Engineered for economical operation and long life. Ideal wherever people congregate. Save time, protect health and improve efficiency. An effective goodwill builder.

Illustrated above is the Bottle-type cooler. Pressure-type and Bubbler-type are also available.

All are beautifully styled and designed to save space. Attractive sea-green color blends harmoniously with any surroundings.

Made in Canada

G. H. WOOD & COMPANY LIMITED

Sanitation for the Nation

587 Fleet St. W., Toronto

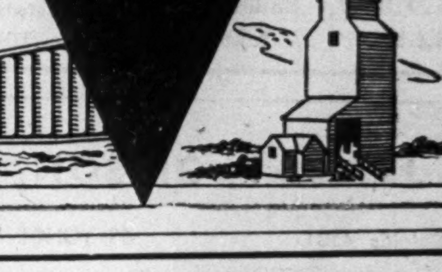
Plaza 2921

JAMES RICHARDSON & SONS LIMITED

HEAD OFFICE WINNIPEG MANITOBA

Grain Merchants Shippers and Exporters

OFFICES THROUGHOUT CANADA



FEED GRAINS

BULK or SACKED

All Grain Selected from our Elevators in the Finest Growing Districts of Western Canada

National Grain Company Limited

Write or Wire to Winnipeg for Quotations

HEAD OFFICE, WINNIPEG

Terminal, Fort William

N. M. PATERSON & COMPANY LTD.

Own and Operate

Terminal Elevators in Fort William

109 Country Elevators

Total Storage Capacity 12,000,000 bus.

31 Vessels on the Great Lakes

Total Carrying Capacity 4,500,000 bus. per trip

Head Office: FORT WILLIAM, ONT.

609 Grain Exchange, Winnipeg

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED

Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur

Grain Commission Merchants — Shippers and Handlers of All Grains

Head Office: WINNIPEG, CANADA

FEDERAL GRAIN LIMITED

AND

THE ALBERTA PACIFIC GRAIN CO. (1943) LTD.

WINNIPEG - CALGARY

Country Elevators located in all Prairie Provinces, and Terminals at Fort William, Port Arthur and Vancouver.

Cereal and Forage Seed Plant at Winnipeg.

We invite your inquiries regarding feed and seed grain.

WESTERN SAVINGS & LOAN ASSOCIATION

HEAD OFFICE, WINNIPEG

BRANCH OFFICES

Agency Building, Edmonton, Alta. | McCallum-Hill Building, Regina, Sask.

221 A-8th Ave., W., Calgary, Alta. | 407 Avenue Building, Saskatoon, Sask.

1 Royal Bank Building, Brandon, Man.

MONTREAL SHIPPING CO. LTD.

Regular Ocean Freight Service to and from Eastern Canadian Ports

Via the following lines

MONTSHIP LINES LTD. Western and Central Mediterranean

BLUE PETER STEAMSHIPS LTD. Newfoundland

MOORE-McCORMACK LINES INC. Brazil—Uruguay—Argentine

CANADA CONTINENTAL LINE LTD. France—Belgium—Holland

Joint Agents MARCH SHIPPING AGENCY LTD. 400 Craig Street West, Montreal

GENERAL AGENTS

MONTREAL SHIPPING COMPANY LIMITED

330 Coristine Building, Montreal, Canada

87 Yonge Street, Toronto, Canada

Branch offices

Halifax, N.S.—Saint John, N.B.

Consult your freight forwarder or the above offices for sailings and rates

To VANCOUVER, B.C. Via CHICAGO

on Great Northern's

EMPIRE BUILDER

The streamlined EMPIRE BUILDER, Great Northern's Greatest Train, whisks you from Chicago to Everett, Washington, in only 44 hours or to Seattle in 45 hours. Convenient connections to Vancouver at both points. It's a great way to go.

EMPIRE BUILDER leaves Chicago Union Station on Burlington Line, 1 P.M. daily.

For information or reservations
G. F. SMITH, Gen. Agent
607 Royal Bank Bldg.
Toronto 1, Ont.
Phone: Elgin 3992

GREAT NORTHERN

GREAT NORTHERN RAILWAY

GREAT for service

BANK OF CANADA

	Aug. 11, 1948	Aug. 4, 1948
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,224,183,575	1,223,960,072
Deposits: Dom.	126,528,497	90,185,450
Chart. banks	500,260,426	527,330,967
Other	89,157,193	84,467,789
Total deposits	715,946,116	701,984,215
Liabs. payable in sterling U.S.A. and for'n. gold currencies:		
Deposits	108,591	108,591
All other liabs.	19,307,343	17,293,713
Total liabs.	1,974,595,992	1,958,396,958
Assets		
Sterling & for'n. exchange	108,591	108,591
Other currencies	98,463	72,479
Total	209,054	181,070
Subsid. coin	226,625	252,153
Investments:		
Dom. govt. shs.	1,145,788,272	1,133,558,124
Oth. Dom. gov.	773,645,112	773,554,612
Total invest.	1,919,433,384	1,907,112,736
Ind. Dev. Bank Total share cap. at cost	25,000,000	25,000,000
Premises	2,417,725	2,416,335
All other assets	27,311,204	23,434,659
Total assets	1,974,595,992	1,958,396,958

HIGHLAND DAIRY, LTD., Toronto, shows sales at $841,015 for the fiscal year ended March 31, 1948—up 16.8% from the previous year. After cost, expenses and taxes, the company showed a loss of $2,796 against a profit in the previous year of $1,991.

Current assets total $66,008; current liabilities $102,683. Assets total $293,959. Preference dividends are in arrears of $9.50 a share at March 31, 1948.

Canada's Most Versatile Tanners

FINE sheep and goat leathers.. fancy and embossed leathers, Shearlings, dyed lamb and Mouton Fur.

DONNELL & MUDGE Limited

NEW TORONTO

DISTRIBUTOR—FRED'K WHITLEY & CO. MONTREAL

Chartered Banks' Total Deposits Rise, Short-Term Securities Show Big Jump

Savings deposits in the chartered banks in June broke their rising trend of the previous six months by dropping $19 millions to a total of $3,935 millions. This drop was only about half the comparable fall for June, 1947; and probably reflects individuals drawing on their savings in preparation for the holiday season and to buy goods. Savings deposits were $292 millions higher than a year previously.

An increase in demand deposits of $32 millions in June, bringing their total to $2,214 millions, more than offset the drop in savings deposits. As a result, total deposits rose to $6,149 millions, only about 4% under their record high of $6,174 millions at the end of April.

Accompanying the increase in current deposits was an expansion for the third successive month in Canadian call and current loans. Current loans, the usual loans to business, at $1,867 millions were up $8.7 millions in the month and $199 millions above a year previously. Part of this rise is likely due to the higher price level added to the good level of business operations. Call loans, usually made on stock market securities, at $84 millions was up $3.8 millions in the month, but was $22.3 millions below a year earlier.

Bank Loans Up

Bank loans generally totaled $2,914 millions — up $8.7 millions in June and $198.3 millions in the past year.

There was a relatively large increase of $106.8 millions in the chartered bank's holdings of Dominion government short-term securities, bringing the total to $834.2 millions and of $15.9 millions in provincial government short-term securities, to a total of $118 millions. Partly offsetting this, and perhaps indicative of some switching from long-term to short-term issues, was a reduction of $36.8 millions in Dominion long-term securities to $2,045 millions, and a reduction of $5.6 millions in provincial long-term securities to $337 millions.

A substantial part of the increase in Dominion short-terms is believed due to the transfer of the banks' holdings of Dominion 4½% bonds 1948/58 to short term as a result of the issue's being called for redemption on Nov. 1, 1948. In the provincial field, an issue of one province due in 1950 now becomes a short-term issue which may account for part of the increase here.

At their June 30 levels, the chartered banks' holdings of short-term government securities were $166.2 millions higher than a year before, while their long-term government holdings were down $260.7 millions.

Borrowings by provincial governments were down $3.8 millions in June. Municipalities' borrowing was only up slightly ($52,000).

Other changes in the statement include a drop of $43 millions in banks' cash, an increase of $43 millions in Dominion government deposits, and an increase of $17 millions in provincial government deposits.

Use of Bank Credit in Canada
(In Millions of Dollars)

	June 1948	May 1948	Change	June 1947	Change
Loans	2,013.6	2,004.9	+8.7	1,815.3	+198.3
Investments	4,143.4	4,066.0	+77.4	4,130.9	+12.5
Total	6,157.0	6,070.0	+86.1	5,946.2	+210.8
Deposits	6,149.4	6,136.8	+12.6	5,829.5	+319.9
Credit index*	32.7%	32.7%	......	31.2%	+1.5%

*Ratio of current call loans in Canada to demand and savings deposits in Canada.

ASSETS
(In Thousands of Dollars)

	June 1948	May 1948	Change	June 1947	Change
Canadian coin	10,617	10,787	—170	10,813	—196
Bank of Canada notes	157,150	170,296	—13,146	151,753	+5,397
Bank of Canada deposits	517,026	547,195	—30,169	474,426	+42,600
Banks' cash	684,793	726,278	—43,485	636,992	+47,801
Gold sub. coin abd.	3,281	3,077	+204	2,941	+340
Foreign banks	194,276	103,636	+90,640	183,986	+10,290
Foreign currency	107,480	200,589	—93,109	123,402	—15,922
Call loans abroad	80,255	73,790	+6,465	79,348	+907
Government securities:					
Dom. short term	834,213	727,405	+106,807	657,621	+176,591
Prov. short term	117,968	102,042	+15,926	128,295	—10,327
Dom. long term	2,045,283	2,082,127	—36,844	2,283,019	—237,736
Prov. long term	336,785	342,404	—5,619	359,747	—22,962
	4,404,333	4,363,348	+40,985	4,455,351	—51,018
Loans and Other Securities Other Than Those of Canadian Government					
Municipal secs.	133,403	133,741	—338	142,675	—9,272
Public secs.♦	266,363	266,417	—54	299,291	—32,928
Other secs.	409,397	411,959	—2,562	260,266	+149,131
Can. call loans	83,986	80,233	+3,753	106,303	—22,317
Current loans	1,866,764	1,858,074	+8,687	1,667,303	+199,458
Loans abroad	231,373	223,920	+7,453	190,552	+40,821
Prov. loans	9,935	13,784	—3,849	10,060	—125
Mun. loans	52,948	52,896	+52	31,672	+21,312
	3,054,166	3,041,024	+13,142	2,708,122	+346,044
Noncurrent loans	1,799	1,436	+363	1,012	+787
Real estate	578	575	+3	943	—365
Mortgages	1,023	1,036	—13	1,412	—389
Premises	74,599	73,554	+1,045	69,034	+5,565
Letters of credit	208,462	212,361	—3,899	211,974	—3,512
Loans to comp.	11,674	11,573	+101	10,943	+832
Other assets	7,073	6,974	+99	5,833	+1,240
	305,208	307,509	—2,301	301,151	+4,057
Total	7,763,707	7,711,881	+51,826	7,464,624	+299,083
Note circ. dep.	1,113	1,113	......	1,337	—224
Int. bank bal.	341,414	320,490	+20,924	283,734	—57,680
Gross	8,106,234	8,033,484	+72,750	7,749,695	+356,539

LIABILITIES

	June 1948	May 1948	Change	June 1947	Change
To the Public					
Circulation	17,214	17,389	+175	19,868	—2,654
Dom. Govt.	207,882	164,939	+42,943	197,874	+10,008
Prov. Govt.	170,668	153,752	+16,916	124,139	+46,529
Deposits by Public					
Demand dep.	2,213,783	2,181,802	+31,981	2,185,833	+27,950
Savings dep.	3,935,695	3,955,052	—19,357	3,643,755	+291,940
Total	6,149,478	6,136,854	+12,624	5,829,588	+319,890
Foreign Deposits					
Dep. elsewhere	756,951	739,102	+17,849	777,228	—20,277
For. curr. in Canada	81,084	88,118	—7,034	89,766	—8,682
Total	838,035	827,220	+10,815	866,994	—28,959
Due to Banks Abroad					
United Kingdom	38,469	40,032	—1,563	35,077	+3,392
Foreign	100,618	109,092	—8,474	102,665	—2,047
Letters of credit	208,462	212,361	—3,899	211,974	—3,512
Other liab.	4,937	4,975	—38	3,144	+1,693
Total public liab.	7,735,763	7,664,614	+71,149	7,391,323	+344,440
Due other banks	28,983	26,741	+2,242	24,202	+4,781
Liability to Shareholders					
Dividends	1,516	2,157	—641	1,498	+18
Reserve	181,750	181,750	......	176,750	+5,000
Capital stock	145,500	145,500	......	145,500	......
Gross	8,093,512	8,020,762	+72,750	7,739,273	+354,239

♦Other than Canadian.

J. R. HALLS

has been appointed secretary for Canada of the Norwich Union Life Insurance Society.

Fewer Easterners Help to Harvest Grain on Prairies

From Our Own Correspondent

WINNIPEG — Approximately 500 farm workers from Eastern Canada were due here this week to aid in Prairie harvesting operations.

Demand for outside labor is much lower than in recent years, Fred J. White, regional superintendent, Unemployment Insurance Commission, reports. A large number of DP's and other European immigrants have helped to fill the gap, and sugar beet workers have also been temporarily diverted to grain fields.

White reported general employment conditions throughout the West "excellent," although fewer jobs are available. In Winnipeg, openings for male workers dropped 27.6%; for women, 16.6%. Throughout the region, the decline in vacancies was 6.3% for men, 11% for women.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

F. M. MORTON, manager, Lacadena, Sask., to be manager, Turtleford, Sask.

W. J. LATOUR to be manager, Vonda, Sask.

G. E. BAIN, accountant, Portage & Garry, Winnipeg, to be manager, Stafford & Grosvenor, Winnipeg.

• • •

The Dominion Bank announces the following staff changes:

J. W. ADDLETON, assistant manager, Hamilton, to be manager, Bloor & Runnymede, Toronto.

A. RITCHIE to be manager, Chatham, Ont.

R. F. REDPATH to be accountant, Guy & St. Catherine, Montreal.

NOTICE

Notice is hereby given that the American Mutual Liability Insurance Company has received from the Department of Insurance, Ottawa, Certificate of Registry No. C1139, dated July 6th, 1948, authorizing it to transact in Canada the business of ACCIDENT INSURANCE, AUTOMOBILE INSURANCE and SICKNESS INSURANCE.

F. R. MULLANEY,
Vice-Pres. & Secretary.

James P. McD. Costigan,
Chief Agent in Canada,
Toronto, Ontario.

Club Whitesands
ON LAKE CATCHACOMA

ONTARIO'S NEWEST AND FINEST YEAR ROUND RESORT HOTEL

RATES $98.00 PER PERSON PER WEEK AND UP

FOR RESERVATIONS AND INFORMATION WRITE
MICHAEL C. McELLIGOTT
Resident Manager
P.O. BOX 790, PETERBOROUGH, ONT. CANADA

Our Fire Prevention Service

Fire hazards in many cases are apparent only to engineers of experience. It is the UNSEEN which is brought to light by those trained in this work.

DO YOU CARRY INSURANCE?

DO YOU KNOW WHERE YOU WOULD STAND IF LOSS OCCURRED?

We can tell you how to prevent fire loss. This service is free to our clients.

We can also expertly cover you against loss from all hazards, insurable at lowest rates with safety.

IRISH & MAULSON
LIMITED

Insurance Brokers, Fire and Accident Prevention
Inspection Service since 1904

20 Victoria St.
TORONTO, Ontario
ELgin 6401

606 Cathcart St.
MONTREAL, Quebec
PLateau 8595

To promote Trade

The Bank of New South Wales offers these services:—

- Introductions to importers and exporters in AUSTRALIA and NEW ZEALAND.
- Credit information about residents of those countries, with whom you may wish to trade.
- Facilities for making payments to, or receiving payments from those countries.
- Arrangements for business visits to either or both countries.

Your bank can put you in touch with the—

BANK OF NEW SOUTH WALES
British & Foreign Department, Sydney, Australia

Attention Mr. Executive!

In Toronto you can make more business calls more efficiently if you drive one of our new 1948 cars.

OUR CARS INSURED . . . NEW LOW RATES. CALL WA-1111

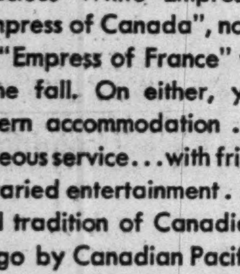
DOMINION U-Drive LTD.
77 DUNDAS ST. E. at Bond TORONTO

CUSTOMS, TRADE & TAX
CONSULTANT

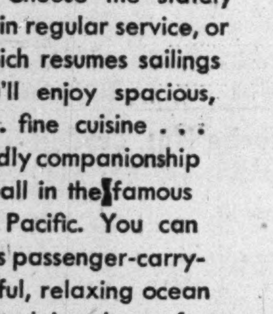
GORDON E. HOOPER
Formerly of the Department of National Revenue
295 METCALFE ST., OTTAWA, ONT.

Travel-wise Canadians go WHITE EMPRESS to Europe!

For a truly memorable ocean crossing, travel to Europe the "7-day comfort way" on a gracious White Empress. Choose the stately "Empress of Canada", now in regular service, or the "Empress of France" which resumes sailings in the fall. On either, you'll enjoy spacious, modern accommodation . . . fine cuisine . . . courteous service . . . with friendly companionship and varied entertainment . . . all in the famous travel tradition of Canadian Pacific. You can also go by Canadian Pacific's passenger-carrying "Beaver" ships for a restful, relaxing ocean voyage. Either way you enjoy leisurely comfort and days of travel pleasure with Canadian Pacific as your host. Regular summer sailings by the picturesque St. Lawrence route from Montreal and Quebec to Liverpool.



Gay shipboard life . . . deck games . . . movies and dancing . . . or just relaxing.



Get your sea-legs as you enjoy the scenic route through the sheltered St. Lawrence.

Information and reservations through your own travel agent or any Canadian Pacific office.

Canadian Pacific SPANS THE WORLD

RAILWAYS · STEAMSHIPS · AIR LINES · HOTELS · COMMUNICATIONS · EXPRESS

Sherbrooke to Get U. S. Branch Plant

Sherbrooke is latest Canadian city to get firm promise of a U. S. branch plant. Graton & Knight Co., Worcester, Mass., tanner and leather maker, plans to build a new factory in East Sherbrooke starting early next spring. Site purchase negotiations were completed recently in co-operation with civic authorities.

Graton & Knight are reported planning to spend around $250,000 on the building and employ over 150 starting early 1950.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

DAVIES PETROLEUMS net revenue increased $9,400 in year ended Jan. 31, 1948, but after charging off a greater amount to operating expenses and development, net profits finished slightly below previous year at $1,005.

The greatest undertaking of company last year was in financing and sponsoring Decalta Oils in which 500,000 shares are held. Stanolind Oil & Gas Co. has undertaken the investigation of the possibilities of the 40,000 acre reservation of Decalta at Perryvale.

The company has secured a 6% interest in a 20,000 acre reservation in the Hanna field which is to be developed by British American Oil Co. Additional acreage has also been secured in the northern extension of Turner Valley.

Davies Petroleums still retains acreage in the Keystone Valley where several large companies are reported to be planning further development.

INCOME ACCOUNT

Years Ended Jan. 31:	1948	1947
Production revenue	$83,977	$66,982
Less: Royalties	34,135	25,853
Add: Other rev.	1,745	1,036
Total net rev.	51,587	42,165
Less: Oper. exps.	31,852	26,924
Depreciation	5,834	5,834
Depletion	......	1,295
Development	12,896	4,743
Net profit	1,005	3,369
Less: Divds.	......	18,500
Surplus for year	1,005	▪15,131

▪Deficit.

CONDENSED BALANCE SHEET

As at Jan. 31:	1948	1947
Cash & govt. bds.	$6,880	$12,747
Cash with trust co.	13,588	4,848
Accts., etc., rec.	5,022	3,791
Mater. & supplies	272	292
Total curr. assets	25,762	21,678
Misc. assets	244	146
Syndicate interest	44,984	44,036
Invest. in oil cos.	50,005	33,210
Develop. acct.▴	110,670	28,085
Land & leases	14,425	20,746
Plant & equip.▪	18,363	24,197
Total assets	264,453	172,098
Accts. pay.	310	276
Royalties pay.	1,130	956
Total curr. liab.	1,440	1,232
Capital stock	433,069	433,069
Deficits: Capital	40,379	36,040
Income	†129,677	226,163
▪After depr. of	61,770	55,936
▴Less depl. & dev. res.	293,135	381,720
Working capital	24,322	20,446

†After $95,481 credit re devel. res. adjust.

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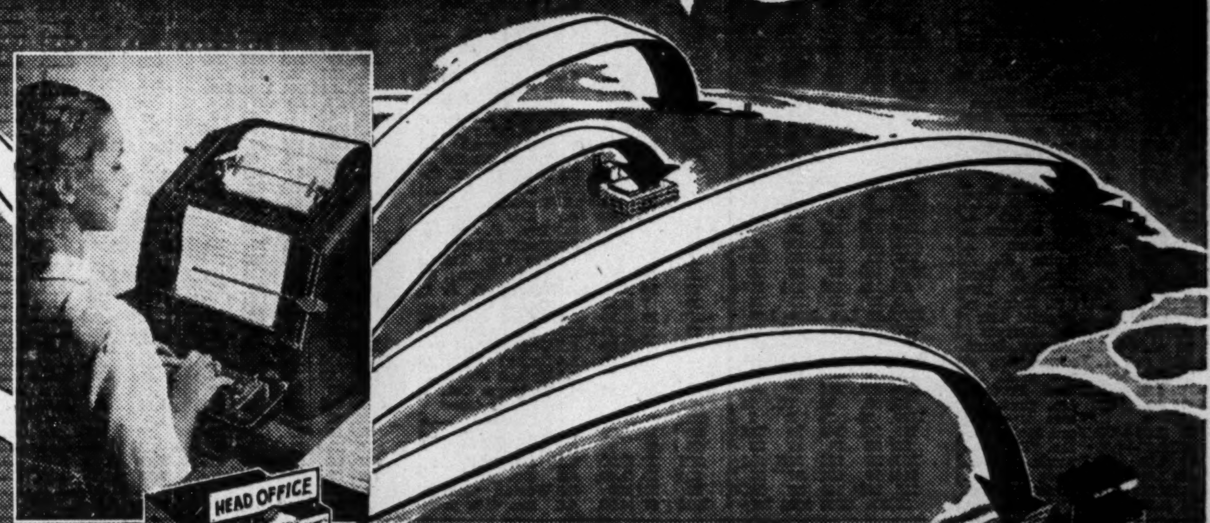

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THIS WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING AUGUST 13

Range 1948 High	Low	Div R'te $	Aug13 Y'ld %		Sales	Last Aug 6	Week end. Aug 13 H	L	Cl'se
19¾	12½	....	...	Abitibi N.	2037	17¾	17¾	17	17
21½	17½	1.50	7.5	Do. $1.50 pref	2077	20	20½	19¾	20½
19½	16½	1.00	5.3	Acadia Atlan A	375	18¾	19½	18¾	19
102½	98	5.00	4.9	Do. 5% pref.	45	101½	102½	101¾	101¾
9	7½	.50	6.2	Agnew Surp. .	1270	8½	8½	8	8½
59¼	33½	.	...	Algoma Steel .	1915	48½	48½	44½	44¾
25¾	24	1.00	4.0	Alum. of Can. p	715	25	25½	25	25½
65½	43	2.00	3.3	Aluminium N. .	1035	60½	60½	57½	57¾
49	45	2.25	5.0	Ang. Can. T. p	50	45	45	45	45
23¾	15	†1.00	..	Ang. Newf'dl'd	275	20	18	18	18

Range 1948 High	Low	Div R'te $	Aug13 Y'ld %		Sales	Last Aug 6	Week end. Aug 13 H	L	Cl'se
111½	100	5.50	5.0	Do. 5½%	35	109½	110	110	110
4	2½	.	...	Gen. Bakeries	100	2¾	2¾	2¾	2¾
17	16	†.75	..	Gen. Prod. A..	140	16	17	16½	17
17½	14	.80	5.2	Gen. St. Wares	235	16	16	15½	15½
106½	99½	5.00	4.8	Do. pref.	40	103½	105	104½	104½
118	101	4.00+†3.00		Goodyear T. .	50	110	112	112	112
53	49	2.00	3.9	Do. pref. ...	160	52½	52½	52	52
11	10	.50	4.6	Gord. MacK. A.	265	10½	10½	10½	10½
20½	15¾	†.80	..	Gt. Lakes Pap..	755	18	18	17¾	18
45	40½	2.50	5.9	Do. "A" pref	70	43	42½	42	42½
15¾	10½	1.00	6.7	Gt. West Coal	240	15½	15½	15	15

Range 1948 High	Low	Div R'te $	Aug13 Y'ld %		Sales	Last Aug 6	Week end. Aug 13 H	L	Cl'se
21	17¾	1.00	5.4	Wilsils	1425	18	18½	17¾	18½
12½	12¾	†.15	..	J. C. Wilson ..	20	12½	12½	12¾	12¾
12	9	.	...	Windsor Hotel	12	9¾	9½	9½	9½
28½	20½	1.00	3.7	Winnipeg El. .	1388	27½	27½	26	26¾
24	19	1.00	5.3	Wool Combing.	100	19	19	19	19
8½	6½	.	...	York Knit. A N	700	6½	6½	6½	6½
45	34½	1.50	3.5	Zellers	175	43	43	43	43
27½	25¾	1.25	4.8	Do. 5% pref.	110	25¾	25¾	25¾	25¾
29	27½	1.50	5.4	Do. 6% pref..	5	27¾	27¾	27¾	27¾

†Paid or payable in 1948. xOn arrears. ‡Extras. ▪Paid in 1946. ▲N. Y. funds.

Mining Stocks

Week Ended August 13

Oil Stocks

Range 1948 High	Low	Div. Rate $	Aug. 13 Yield %	Company	Sales	Last Aug. 6	Week Ending Aug. 13 High	Low	Close
.22	.10	.....	....	Leduc Cons.	1,500	.15	.14	.13½	.13½
1.19	.60	†.04	....	Leduc West	15,115	.90	.91	.85	.88
.15	.07½	.....	....	McD. Segur	21,105	.10	.10½	.09½	.10½
.08½	.03	.....	....	McLeod....	3,000	.03½	.03½	.03½	.03½
.17	.08	.....	....	Mercury...	500	.08½	.08½	.08½	.08½
.11	.05½	.....	....	Midcont ...	4,500	.07	.06½	.06½	.06½
.15½	.07	.....	....	Mill City...	1,000	.09	.09	.09	.09
.33	.18	.....	....	Nat. Pete ..	100	.22	.23	.23	.23
.33	.08	.....	....	N. Pacalta .	13,721	.09	.10	.09	.09½
.10	.05	.....	....	New Ranch	28,500	.07½	.07½	.07	.07
1.84	.90	.....	....	Okalta.....	7,200	1.12	1.15	1.10	1.15
1.48	.80	.10	7.4	Pac. Pete...	24,450	1.33	1.40	1.30	1.35
.05	.02½	.....	....	Phillips P...	46,500	.04	.04½	.04	.04½
.16½	.08	.....	....	Princess P..	8,100	.11½	.11½	.11	.11½
.06	.02½	.....	....	Richfield...	500	.03	.02½	.02½	.02½
.49	.23	.....	....	Roxana....	12,050	.32	.32	.23	.27
.15	.07	.....	....	Royal Can..	5,000	.08½	.08½	.08	.08
20.00	16.00	1.00	5.0	Royalite....	79	18.00	20.00	18.00	20.00
.10	.05	.....	....	Share Roy..	1,050	.06½	.07	.07	.07
.19	.10	.....	....	So. Brazeau	13,500	.11	.11½	.10½	.11
.70	.24	.....	....	So. West Pete.	600	.30	.30	.30	.30
.20	.12	.....	....	Spooner....	25	.12	.13	.13	.13
.11¾	.08	§.01½	....	Sunset.....	29,900	.10½	.11¾	.10½	.11½
.34	.23	.....	....	Superior....	8,300	.29	.29	.28	.28
.55	.20	.....	....	Turner V...	200	.31	.35	.35	.35
.15½	.06	.....	....	United Oils.	17,825	.07	.07½	.07½	.07½
.36	.20	.....	....	Vulcan.....	1,000	.26	.25	.25	.25
.10	.03½	.....	....	York Oils ..	1,000	.07	.06½	.06	.06½

*N. Y. Funds. x Extra. ‡Capital Repayment. ‡ Paid in 1946. ♦ Dividends deferred. § Paid in 1947. † Paid or payable in 1948.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Aug. 16	119,900	455,000	62,790	55,632	660,000
Aug. 14	....	....	....	......	....
Aug. 13	78,600	443,000	67,230	46,340	660,000
Aug. 12	72,400	407,000	63,800	27,277	800,000
Aug. 11	64,300	502,000	108,810	35,037	1,620,000
Aug. 10	93,800	423,000	62,900	36,915	1,000,000

STOCKS NOT TRADED THIS WEEK

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 8	Milling 4	Oils 4	Textiles and clothing 9	Food and allied prod. 13	Beverages 8	Bldg. mater. 16	Power and traction 14	Banks 8	Total utilities 16	Total co's. 100
(Base 1935-39=100)												
1935 to date:												
High	210.2	287.9	149.7	123.7	214.4	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1948: Monthly Figures:												
Jan.	189.8	216.9	113.8	70.5	188.4	117.6	312.6	132.6	101.4	132.5	112.9	107.5
Feb.	179.7	242.7	105.5	65.8	185.3	111.8	294.1	122.5	95.2	129.7	110.1	102.2
Mar.	185.9	243.7	104.9	65.2	186.6	109.6	289.7	121.4	98.4	127.8	107.4	101.5
Apr.	209.1	256.5	109.5	70.1	197.3	115.2	312.6	132.0	102.5	127.7	116.5	109.1
May	228.0	274.1	113.1	76.6	215.7	114.0	331.8	142.4	107.8	128.4	127.8	116.5
June	247.7	279.8	111.7	79.5	220.2	115.9	324.3	144.1	108.7	128.5	132.2	120.3
1948: Weekly Figures:												
July 2 ..	240.4	275.4	113.7	77.6	220.8	114.3	323.1	140.2	107.5	128.6	129.2	118.2
July 8 ...	239.8	277.6	110.5	77.4	224.9	116.1	315.1	140.5	107.5	129.4	127.3	117.7
July 15 ..	237.5	278.8	110.2	75.6	224.3	115.0	320.8	139.8	107.1	128.7	126.9	116.9
July 22 ..	230.3	273.7	110.2	73.9	219.5	116.7	310.3	138.9	105.3	125.7	124.5	114.9
July 29 ..	226.7	273.8	111.3	71.2	219.8	115.4	307.1	138.1	105.7	126.7	123.3	113.7
Aug. 5 ..	234.1	274.6	110.6	74.2	217.2	114.2	304.4	138.6	107.1	126.1	123.9	114.4
Aug. 12 ..	235.3	271.5	108.7	72.8	215.9	113.8	297.8	137.1	106.2	125.6	122.2	112.7

*High and low for year from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Aug. 16	176.28	84.93	96.12	37.82
Aug. 14	......	......	......	......
Aug. 13	176.64	84.87	96.35	38.07
Aug. 12	176.90	85.36	96.17	37.85
Aug. 11	176.40	85.35	96.48	37.89
Aug. 10	178.66	85.75	97.39	38.53
Month ago ..	185.69	84.66	99.98	41.92
Year ago	170.21	112.69	81.81	27.36
1948 High ..	191.44	104.69	103.93	48.11
1948 Low ...	149.13	83.97	77.67	28.68

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Comb.	10 Pprs.	15 Golds
Aug. 16 ...	74.4	126.3	109.1	349.04	57.29
Aug. 14 ...	...	....	....	.....	....
Aug. 13 ...	75.1	127.2	109.8	351.42	57.25
Aug. 12 ...	75.0	128.1	110.4	352.12	57.35
Aug. 11 ...	75.2	128.5	110.7	353.97	57.72
Aug. 10 ...	75.4	129.5	111.5	357.58	57.72
Month ago	75.1	128.5	110.7	354.49	56.64
Year ago .	76.4	121.8	106.8	347.26	74.58
1948 High.	77.7	135.4	116.0	384.80	74.92
1948 Low .	70.7	108.0	95.7	290.28	56.43

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Aug. 16	180.30	58.66	34.20	67.05
Aug. 14	......	......	......	......
Aug. 13	179.63	58.79	34.15	66.93
Aug. 12	179.63	59.16	34.20	67.08
Aug. 11	179.27	59.06	34.32	66.99

	30 Indust.	20 Rails	15 Util.	65 Stocks
Aug. 10	180.02	59.68	34.55	67.40
Month ago ..	181.20	59.48	34.63	67.82
Year ago	180.44	49.30	35.62	64.65
1948 High ..	193.16	64.95	36.04	71.85
1948 Low ...	165.49	48.13	31.65	59.89

Dividends Declared

	This payment $	Date payable	Date of record
Abitibi Pwr. $1.50 p.	.37½	Oct. 1	Sep. 1
Do. $2.50 pf.	.62½	Oct. 1	Sep. 1
Acme Glove	.25	Oct. 1	Sep. 1
Acadia Atlantic A..	.25	Oct. 1	Sep. 10
Do. pf. 5%	1.25	Sep. 15	Aug. 20
Agnew-Surpass	.12	Sep. 1	Jul. 30
Alum. of Can.	.25	Sep. 1	Aug. 1

	This payment $	Date payable	Date of record
Huron & Erie Mtge.	1.25	Oct. 1	Sep. 15
Hudson Bay M & S	1.00	Sep. 13	Aug. 13
Imp. Tobacco	.10	Sep. 15	Aug. 31
Do. 6% pf.	3%	Sep. 30	Aug. 17
Imp. Varnish	.20	Sep. 1	Aug. 20
Do. pf.	.37½	Sep. 1	Aug. 20
Int. Nickel	†.40	Sep. 20	Aug. 23

Stocks Not Traded This Week (Continued)

	Div. rate	Last sale	Aug. 13 Bid	Ask
Nordon	...	.13	.15	..
Oil Selections ...	...	.05	.04½	.05
Petrol Oil	...	.13	.12	.25
Richland	...	.04	..	..
Royal Crest	...	.01	.01½	.03
Three Point	...	.07½	.05	.07
Texas Con.	...	1.20	1.25	..
Vanalta	...	.15	.15	.18
Vul. Brown	...	.14	.08	.15
Warner	...	.13	.10	.14
Wellington	...	.04	.03	.05

§Paid in 1947. ‡Paid in 1946. *N.Y. funds. ♦Dividend deferred.

Investment Trusts

	Bid	Asked
Affiliated Funds	4.04	4.42
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.55	5.00
Can. Invest. Corp.	7.00	8.00
Commonwealth Int.	3.51	3.86
Corporate Invest.	8.52	9.15
Trans-Canada A	12.90	....
Do. B	12.85	13.75

Company Meetings

1948	Company	Place
Aug. 26	Wabasso Cotton	Three Rivers
Sept. 9	Bell Telephone	Montreal
Sept. 24*	Beauharnois, L. & P.	Montreal

*Adjourned from May 27.

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Aug. 17, 1948

%	Due	Bid	Ask
Victory Loans:			
3	June 1951	102¾	103¾
3	Mar. 1954	103¾	104¼
3	Nov. 1956	103¼	104
3	May 1957	102½	103
3	Jan. 1959	101½	103¼
3	June 1960	101	101¾
3	Feb. 1962	100¼	101
1¾	Nov. 1950	100¼	100¾
3	Oct. 1963	100	100¾
3	Sept. 1966	100	100¾
1¾	Nov. 1949	100¼	100½
1¾	Nov. 1948	99¾	100¼
Dom. of Canada Bonds:			
2½	Nov. 1951	100¼	100¾
3¼	Feb. 1952	102¾	103¼
3	Oct. 1952	101½	101¾
3	June 1955	101¾	102¾
3	June 1958	101¾	102¼
4½	Nov. 1959	103¼	103¾
3¼	June 1966	102½	103
3	Perpetual	99	99¾
4½	Nov. 1958	100¼	101¼
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959	100¼	101¼
4½	Sept. 1951	*106	*107
4½	Feb. 1956	*110¼	*111¼
4½	July 1957	*111¼	*112¼
5	Oct. 1969	*106¾	108¼
5	Feb. 1954	111¾	113¼
5	Feb. 1970	*107¼	*108¼
4¾	June 1955	*110¾	*112
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	*111	*113
Grand Trunk Pacific Rly.:			
3	Jan. 1962	*99	*100¼
4	Jan. 1962	*110	*112
Montreal Harbour Comm.:			
5	Nov. 1969	*107	*108¼
Provincial Govt. Bonds			
Alberta:			
3½	June 1950/64	100¾	102¼
3½	June 1959	104¼	106¼
3½	June 1950/72	101¼	103
3½	June 1950/71	100¾	102¼
British Columbia:			
2¾	Jan. 1967	94¼	95¾
3	Dec. 1960	99	100¾
4½	Jan. 1969	123¾	126¼
4	Dec. 1957	113¾	116¼
5	Apr. 1954	119¾	122¼
5	Sept. 1953	108¼	109¾
Manitoba:			
4	Dec. 1957	113¾	116¼
4½	Dec. 1956	116¾	119¼
5	Dec. 1959	125	127½
2¾	Aug. 1962/64	94	96
5½	July 1958	117¼	119¾
New Brunswick:			
4½	Apr. 1961	115	117½
5	Jan. 1960	119¼	120¾
2¾	June 1966	91¼	92¾
3½	Mar. 1958	99¼	100¾
Nova Scotia:			
3½	June 1956	102¼	103¾
4½	Nov. 1960	121¼	123¼
5	Mar. 1960	125¼	128
3	June 1956/58	99¾	101¼
2¾	Sept. 1966	93¾	95¼
3½	May 1960/62	100¼	101¾
Ontario:			
2¾	Nov. 1965/69	94¾	96
3	Apr. 1962/65	99	100½
3½	May 1952/55	102½	103½
4	June 1962	119½	121½
4½	June 1950	103¾	104¾
4½	Jan. 1962	125	127
5	Oct. 1948	100	101
5	Dec. 1960	129¾	132¼
2¾	July 1967/76	93	95
Ont. Hydro Commission:			
4	Aug. 1957	116¼	118¾
2¾	June 1961/71	94	95½
2¾	Oct. 1956/68	94½	95¾
Prince Edward Island:			
4	Mar. 1951/54	101½	103½
Quebec:			
3¾	Mar. 1954/59	103¾	104¾
3¾	Feb. 1952/55	103½	104¾
4½	Aug. 1958	109¼	110¼
4½	Jan. 1963	113¾	115¼
3	Feb. 1960/62	100¼	101¼
4	Nov. 1950/52	103	104¼
Quebec Hydro Commission:			
3	Feb. 1969/73	97¾	99¼
Saskatchewan:			
4	Nov. 1955/60	99½	101
5	Aug. 1958	106	108
4½	Mar. 1960	106¾	109¼
5	Dec. 1959	110½	113
5½	Oct. 1952	104¾	107¼
6	Mar. 1952	105¾	108¼
3	Mar. 1963	91¾	93¼
3½	Nov. 1960/62	92¾	94¾
3¾	Feb. 1960/62	98¼	100

*New York funds.

BUSINESS THIS WEEK

	JULY	JUNE	MAY	APR.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dominion total revenue	....	233.2	271.8	196.2	220.6
Dominion total expend.	....	194.9	144.1	97.9	185.9
MERCHANDISING					
Dept. store sales index no. (1)	....	....	279.7	278.9	247.8
•Retail sales index (no.)	....	269.2	267.2	253.3	232.5
Country store index (no.)	....	....	247.3	206.0	236.9
Wholesale sales index (no.)	....	....	273.3	285.2	280.6
FINANCE					
Dividend payment index (5)	201.8	197.9	196.9	195.0	165.7
Money supply (millions $)	....	....	3,970	4,052	3,777
NEWSPRINT CAPACITY					
•Production ratio	103.9	101.6	103.1	102.3	103.8
•Shipment ratio	100.8	101.8	105.6	101.1	103.6
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.)	....	247.0	226.5	214.9	222.2
Cars (D.B.S.)	....	161.1	160.6	170.1	160.9
COST OF LIVING					
D.B.S.	156.9	154.3	153.3	151.6	135.9
EMPLOYMENT INDEX					
All industries	....	....	185.8	186.6	179.6
Manufacturing	....	203.4	201.7	202.0	197.6
•Payrolls (June 1/41=100) (2)	....	191.3	187.3	184.7	166.5

	1948	1947	1948	1947	% Change
RAILWAYS—(000's omitted)					
•Carloadings (week Aug. 7)	73.3	72.7	2,400.9	2,327.5	+3.2
C.N.R. gross rev. (June)	39,708	37,392	228,464	212,241	+7.0
C.N.R. net rev. (June)	1,647	4,159	11,106	17,718	—37.3
C.P.R. gross rev. (June)	27,546	26,465	160,830	150,825	+6.6
C.P.R. net rev. (June)	—4,107	11,769	—164	6,422	—102.6
IRON AND STEEL (000's omitted) (June)					
•Pig iron production (tons)	183.8	159.8	1,031.7	973.2	+6.0
•Steel production (tons)	259.4	238.3	1,595.6	1,483.3	+7.6
CONSTRUCTION (000's omitted)					
Contracts awarded (July)	89,791	72,515	572,827	401,727	+42.6
Cement prod., bbls. (May)	1,100	950	5,255	4,345	+20.9
AGRICULTURE (000's omitted)					
Flour prod., bbls. (June)	1,912	2,449	11,153	14,367	—22.4
Flour exp., bbls. (June)	1,041	2,342	6,535	9,730	—32.8
Wheat exp., bush. (June)	11,194	21,057	58,127	76,791	—24.3
Cattle sales (June) (4)	120.0	95.9	711.5	618.7	+14.9
Hog sales (June) (4)	403.6	336.3	2,836.4	2,269.6	+24.9
SEA FISHERIES (000,000 omitted)					
Catch, lb. (June)	122.4	107.0	543.8	405.4	+34.1
Landed value $ (June)	7.0	5.9	21.6	17.2	+25.6
NEWSPRINT (000's omitted)					
Production (June)	383	356	2,261	2,193	+3.1
Exports, tons (June)	384	375	2,222	2,191	+1.4
MINING AND OILS (000's omitted)					
Coal prod. (tons) (June)	1,375	1,126	8,503	6,650	+28.0
Gold prod. (fine oz.) (May)	286	269	1,394	1,245	+11.9
•Petroleum prod. (brl.) (May)	917	635	4,087	2,972	+37.5
ELECTRICAL POWER OUTPUT (000,000's omitted) (June)					
•Total monthly kw.h.	3,724	3,756	22,553	22,798	—1.1
FOREIGN TRADE (millions of $)					
Imports (May)	225.1	240.3	1,037.1	1,025.7	+1.1
Exports (June)	234.5	272.7	1,401.1	1,328.5	+5.4
FINANCE (millions of $)					
Bank debits (June)	6,475	5,975	38,108	36,409	+4.7
Bond sales (July)	344.2	181.0	2,577.8	2,695.7	—4.4
Life insurance sales (June)	101.7	103.6	610.7	620.9	—1.8
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod. (May)	2,536	3,277	13,767	16,570	—16.2
Cigarette cons. (no.) (June)	1,428	1,211	7,812	7,438	+5.0

(1) Base period 1935-39=100.
(2) All industries.
•New items for week.
(4) Total at yards and plants.
(5) Nesbitt, Thomson, etc.

Unlisted Stocks

(Compiled from quotations supplied by Intercity Securities Corp., Kamm, Garland & Co. and Kippen & Co.)

Aug. 16, 1948

	Bid	Ask
Allens Toronto units	40.00	....
Anglo Can. Telephone A	9.75	10.50
Beauharnois L. H. & Pwr.	20.00	21.00
British Mtge. & Trust	185.00	200.00
B. C. Sugar	86.00	89.00
Can. Investors Corp.	7.00	8.00
Canadian Motor Lamp	12.25	13.75
Can. Silk Prod's. A	23.00	24.50
Can. West. Nat. Gas com.	65.00	....
Do. pfd.	18.75	20.00
Capital Wire Cloth com.	11.50	....
Cawthra Apts. units	8.00	....
Chase A. W. units	49.00	....
Colonial Steamships com.	97.00	....
Commercial Finance com.	15.00	18.00
Commercial Life 10% paid	8.00	....
Continental Life 20% paid	43.00	....
Cooksville A	11.00	12.00
Do. B	4.00	5.00
Cuban Can. Sugar com.	4.00	5.00
Detroit Inter. Bridge	12.50	13.75
Dover Industries Ltd.	11.00	12.00
Dunlop Tire pfd.	24.75	25.75
Dupuis Freres pfd.	24.75	25.75
Empire Life Ins. 25% paid	17.00	19.00
Foreign Power Co.	4.00	7.00
Galt Brass com.	33.00	....
Goderich Elev. & Trans.	15.25	16.50
Great West Life	345.00	365.00
Guardian Realty pfd.	46.00	....
Guaranty Co. of N. A.	385.00	....
Guelph & Ont. Svgs. $50 p	61.00	....
Hart Battery com.	8.25	9.50
Hartz, J. F. A	9.50	10.50
Imperial Life	340.00	360.00
Lambton Loan $50 par	82.00	87.00
Laprairie com.	4.00	6.00
Do. pfd.	....	98.00
Loblaw Groc. Inc.	19.00	20.00
Manufacturers Life Ins.	340.00	360.00
Monarch Life 30% pd.	94.00	....
Monarch Mtge. units	4.75	5.50
Mountainview Apts. Pfd.	19.00	....
Nat. Drug & Chem. c. new	7.25	8.00
Do. pfd.	11.25	[illegible]
New Bruns. Telephone	13.00	13.75
Northern Tel. com.	2.00	2.75
Ont. & Que. Ry. 6% cap stk	140.00	....
Old Comrades Brewery	2.25	2.75
Peller Brewing com.	5.00	6.00
Do. pfd.	19.00	21.00
Provincial Bank of Canada	16.00	[illegible]
Prudential Trust	11.00	....
Quality Steels com.	.40	[illegible]
Ritchie Cut Stone pfd.	5.00	[illegible]
Sawyer Massey com.	1.50	....
Seiberling Rubber com.	5.00	....
Sincennes McNaught. Tugs	2.50	....
Sherbrooke Trust	140.00	....
Sovereign Life 25% pd.	37.00	[illegible]
Standard Fuel pfd.	42.00	[illegible]
Do. com.	2.50	....
Sun Life Assce.	500.00	[illegible]
Third Can. Gen. Inv.	3.85	[illegible]
Toronto General Ins.	6.00	[illegible]
United Farmers Co-op.	2.50	[illegible]
United Steel A pfd.	24.75	[illegible]
Victoria Trust & Svgs.	134.00	[illegible]
Waterloo Mfg. com.	6.25	[illegible]
Waterloo Trust & Svgs.	123.00	[illegible]
Western Assurance com.	62.00	[illegible]
Western Grain com.	.80	[illegible]
Do. pfd.	20.00	[illegible]
York Trading com.	11.25	[illegible]

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$21.24	$21.25	$14.24
Hogs	31.11	30.85	22.35
Copper, lb.	.23½	.21½	.21½
Sugar, raw, lb.	.0530	.0525	.06185
Coffee, lb.	.26⅜	.26⅜	.24⅝
Hides	.28	.30	.29
Weekly Indices			
U. S. Labor	169.2	168.3	152.2
Dow Jones	148.11	149.89	148.74
Fishers	176.8	175.5	160.3
Monthly Indices			
Retail (July)	156.9	154.3	135.9
W'sale (June)	151.9	150.0	128.0
U. S. (April)	162.7	161.4	147.7
Gt. Brit. (May)	220.4	219.3	189.1

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Record of Financing

Sales by Municipalities, Provincial and Dominion Governments. Offerings of Corporations and Foreign Securities

DOMINION

Dominion of Canada Treasury Bills—Due Nov. 5, 1948, $75,000,000, issued Aug. 6, 1948. Sold at $99.89776 to yield .411%.

MUNICIPAL

Village of Parksville (Guaranteed by Province of B. C.)—3½% debentures, due July 1, 1949-72, $75,000, issued Aug. 2, 1948. Sold at $101.11 to A. E. Ames & Co. Ltd. and Canadian Bank of Commerce.

Williams Lake School, District No. 27, B.C. — 3¾% 20-year serial debentures, $100,000, issued Aug. 2, 1948. Sold at $100.271 to J. L. Graham & Co. Ltd. and Pemberton & Son, Vancouver, Ltd.

CORPORATE

Fred A. Lallemand—3½%, 4% and 4½% first mortgage bonds, series A, due Dec. 1, 1949-64, $800,000, dated Dec. 1, 1947. Sold at $100 and accrued interest to Credit Interprovincial, Ltd.

Canada Electric — 4% first mortgage sinking fund bonds, series B due Aug. 1, 1968, $1,000,000, dated Aug. 1, 1948. Offered at $100 and accrued interest by Royal Securities Corp Ltd.

Sterns—5% first (closed) mortgage serial bonds, due May 1, 1950-63, $105,000, dated May 1, 1948. 1950-54 maturities offered at $101 and accrued interest, 1955-63 maturities offered at $100 and accrued interest by F. J. Brennan & Co. Ltd.

COMMON STOCKS

Humar Corporation—300,000 shares (no par value). Offered at 40c per share for the first 100,000 shares and 50c per share for the next 200,000 shares by Humar Corp. Ltd.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 17, 1948

Public Utility Issues:	Int. Rate	Due	Bid	Ask	Prev. Week
[illegible]					

Industrial Issues:	Int. Rate	Due	Bid	Ask	Prev. Week
[illegible]					

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
•Payable in United States.
‡Payable in Canada or U. K.

Market Comment

What stocks and bonds are doing and what prominent observers say

The stock market has been in the grip of a secondary decline now for more than seven weeks, but at no time in that period have indications suggested early possible reversal more strongly than this week. Despite little or no improvement in the overseas situation, selling volume had dried up to a mere trickle. Then at early midweek modest bidding for stocks in New York was sufficient to send the Dow-Jones industrial average up 1.85 points in one day.

It appears evident that war fear psychosis will not be sufficiently strong to knock the market much lower at the present time, short of complete breakdown in international negotiations. "While there is parley there is hope," is the catch-phrase of Wall Street these days. Market potentialities, with war scare removed, are attractive enough to keep most traders in the market, although with somewhat trimmed accounts.

Earnings of 525 industrial companies in the United States for the first half of this year as compiled by the National City Bank show a 28% increase over the same period last year, and an 18% gain over the second half of 1947. The trend in half-yearly earnings statements of Canadian industry would seem to suggest that the same story holds true here. Dividends are also increasing, and common stock yields showing up more favorably every day. At the same time, reports of falling demand in various consumer lines have lost a good deal of their earlier catastrophic significance.

• • •

M. A. MOYSEY: Hevenor & Co., Toronto

The current lack of activity in the stock market leaves the impression that it is not worth watching very closely these days. A more careful examination leads to the opposite point of view. Whenever market conditions reach a point of almost perfect balance between buyer and seller, such as we see today, it is of utmost importance to watch which way prices swing from that point, as the market will probably move in this same direction for a long time.

From April, 1942 to May, 1946 the Dow Jones Industrial Averages moved from 92.92 to 212.50 reflecting, first, our rapidly improving prospects of victory, and later, the prospect of peak production for many years, necessary to fill the backlog of consumer demand, the elimination of excess profits taxes and possibly lower corporation taxes. The averages have since dropped to around 180, still not much of a decline in the face of the previous tremendous rise, but caused, to a large extent, by rising costs and the failure of taxes to be substantially reduced. Which way do we go from here? No one can tell for sure, but there appears to be this much encouragement from current market behaviour: all the adverse factors which have arisen to date would appear to be adequately discounted—there is no current pressure built up from the past. So the key to the situation lies in the march of future events.

As long as Canadian and U. S. farm income can be kept at current high levels, we have little to fear. This in turn depends on the successful operation of the European Recovery Program, which Russia is now opposing so strongly. Hitler dictated market prices in the late '30's and early '40's. Maybe Stalin will take over here. If the current attempt to undermine Europe's confidence in America's ability and determination to help her out of her present desperate situation is successful, our prosperity will be very short-lived; but, if it fails, the pent-up demands of the European democracies, financed by the Marshall Plan, can lead us to a greater era than ever.

• • •

A. G. PLAXTON: Intercity Securities Corp., Toronto.

Present stock market prices show a decided lack of confidence on the part of investors, in view of current record earnings of industry.

There are several factors in the general situation which may partly justify this scepticism. One is that most corporations are paying out a smaller proportion of their earnings in dividends, due to higher investment in inventories, and the need for setting up replacement reserves in excess of regular depreciation allowances.

Heavy inventories in some industries are considered a source of danger, should we come into a deflationary phase in the business cycle. The international situation is also a strong deterrent to confidence.

It seems to us, however, that the current level of security prices largely discounts these adverse influences. Although the impetus for a broad general upswing may be still lacking, there are special situations in sound securities which we believe are attractive both for current yield and opportunity for capital appreciation.

The low volume of trading after a downward drift of about eight weeks' duration, suggests that liquidation may have run its course in many issues.

• • •

C. B. CHARRON: C. B. Charron & Co., Montreal.

Four years from now Canadians will wonder how it came about that the goose that laid the golden egg is no more. What short memories we must all have! Back in the depression days, a single ray of sunshine lighted up our domestic household—gold, metals, northern Canada's chief product.

Thousands of starving Canadians hiked, rode the rails up north to try to earn a decent living. Thousands of others in southern cities were kept on the payroll because they were manufacturing goods needed in mining. Today, hundreds of thousands of Canadians are earning their living because the mines carry on; using up their unreplenishable resources, refusing to believe that the age of common sense is past.

For statistics as to what is happening to our mining industry, ask the trade papers. Briefly, here are a few of the fearful facts:

1. In 1937, nearly 45% of all Canadian dividends were paid by the mining industry.
2. One of every eight Canadians earned his living either directly or indirectly from mining.
3. There is a great scarcity of all metals throughout the world.
4. Metals are found, in most cases, by prospectors looking for gold. Take that away, and your metals finds will be almost nil.
5. Gold is so desirable that you and your friends would buy all you could get, today, if the Government permitted you to do so.

Mines are found and developed by highly-trained people, who have years of experience. These skilled and essential men are leaving the north in greater numbers every day. Prospectors, drillers, etc., who are absolutely requisite to the finding and developing of properties, are leaving the mining country. Without them, mining will disappear.

Here is an example: Porcupine is the largest and richest gold camp in the Western Hemisphere. In the world it is surpassed only by the gold camps of South Africa. It is the headquarters of gold mining in Canada. A recent survey made at Timmins shows:

(a) Not one surface drill at work on new properties.

(b) Most of the experienced drillers had gone, or were on the point of leaving.

(c) There were no more than 10 professional prospectors left in the region; all fed up with the lack of interest shown in the industry and ready to give it up.

(d) From January to June, 1948, 1,620 claims fell open, while only 200 were staked, and most of these were restakings.

Apply this condition across Canada and there is the mining picture.

Gold was the basis of commerce and industry thousands of years ago and it will take more than a few crackpot economists to change that. Unless something is done very soon, the main occupation up north will be reminiscing.

• • •

BARRON'S: THE TRADER, New York.

Of the various factors depressing investment psychology and stock prices, the first, i.e., war with Russia, appears a remote threat. The second, Dewey-sponsored deflation, runs exactly contrary to his expressed philosophy. The third, rising short-term interest rates, is only a phase of the long-term cheap-money policy represented by a government-pegged 2½% rate. Fundamentals of business activity and earning power point to much higher stock levels, once reintensified war fear passes.

• • •

Unlisted Mines

Approximate quotations, 3 p.m., Aug. 16, subject to confirmation:

	Bid	Ask		Bid	Ask
[illegible]					

Municipal Bonds

Aug. 17, 1948

	Coup.	Matur.	Bid	Ask $	Yld. %
Victoria	[illegible]			100½	3.60
Vancouver	[illegible]			96	3.27
Calgary	[illegible]			101	3.12
Edmonton	[illegible]			101	2.67
Regina	[illegible]			95	3.39
Moose Jaw	[illegible]			99	3.27
Winnipeg	[illegible]			96	3.03
[illegible]				103	2.48
Ottawa	[illegible]			95	3.05
Toronto	[illegible]			103½	2.25
Hamilton	[illegible]			75½	3.95
Windsor	[illegible]			93	3.26
Quebec	[illegible]			97	3.22
Halifax	[illegible]			103	3.27
Saint John	[illegible]			79	4.00
Sherbrooke	[illegible]			90	3.98
Montreal	[illegible]			96	3.25

Corporation Bonds (cont.)

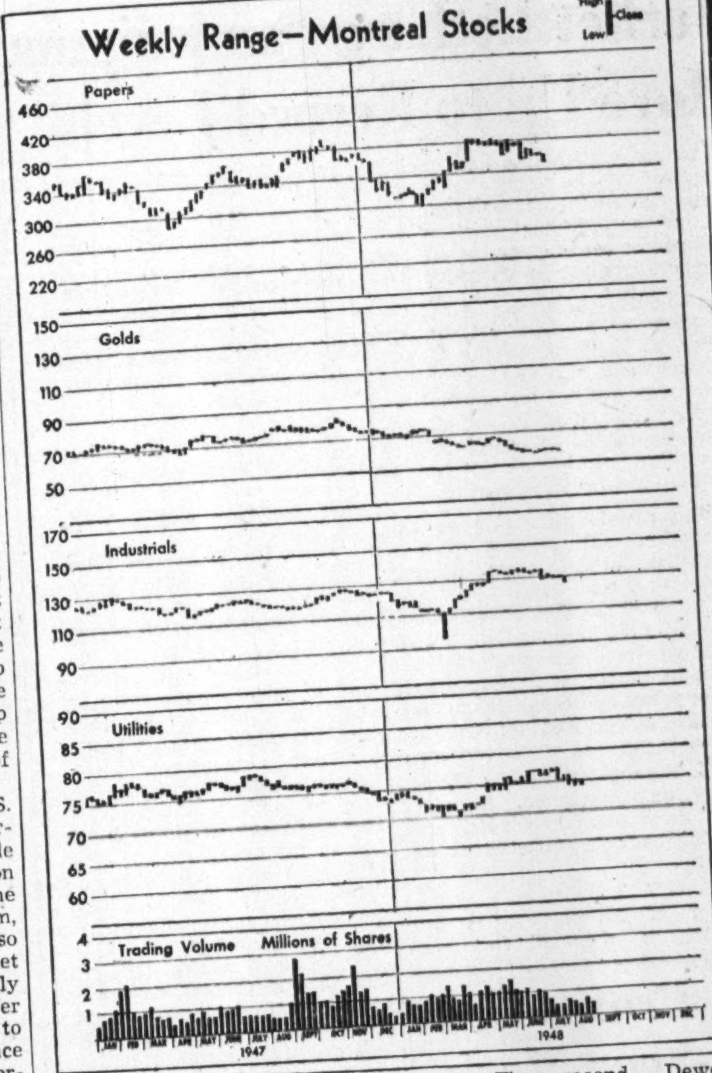
[illegible]			

*Payable in Can., U. S. or U. K.
•Payable in United States.
†Payable in Can. or U. S.
‡Payable in Canada or U. K.

Three Units Work Quebec Labrador

Exploration party of Quebec Labrador Development Co. has been broken into three groups to direct concentrated attention on various indications made so far. Main unit is to be directed to location where continuous band of iron formation has been outlined from south boundary of concession to point 21 miles north, where it folds across property to west boundary.

The other two groups will investigate limonitic ore, indicated at two places. One showing is 2½ miles long by a third wide, about three miles southeast of Koksoak and Kaniapiskau River junctions. The other is about 17 miles farther south, on east side of Kaniapiskau River.



New Highs & Lows

During the week ended Aug. 14, 10 new highs were recorded among the general stocks on Canadian Stock Exchanges and 15 new lows. In the mining group there was one new high and 18 new lows; one new high and one new low among the western oils.

GENERAL

New Highs—1948

Acadia Atlantic pf.
B. C. Packers B
Cons. Textiles
Disher Steel
Eastern Theatres
Guaranty Trust
Hillcrest Collieries
Hotel LaSalle
St. Law. Corp. 2 pf
St. Law. Pap. 2 pf.

New Lows—1948

Bk. of N. Scotia
Bank of Toronto
Craig Bit pfd.
D'nell & Mudge A
Fibre Products pf.
Ind. Accept. 4½% p.
Do. 5% pfd.
Mod. Containers A
Rolland Paper pf.
St. Law. Corp. 1 pf
St. Law. Pap. 1 pf.
Sarnia Bridge
Simon & Sons pf.
Traders Fin. A rts.
Wilsils

MINING

New Highs—1948

Red Hawk

New Lows—1948

Armistice
Band Ore
Beatrice
Belleterre
Bridge R.
Canusa
Crowshore
MacLeod
McIntyre
North. Empire
Ogama
Prem. Border
Privateer
Richmac
San Antonio
Vicour
Y'ke. Bear
Ymir Girl

OILS

New Highs—1948

Sunset

New Lows—1948

Roxana

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BRITISH COLUMBIA PACKERS LTD. net profit for the year ended Apr. 30, 1948 established a record and showed a sharp improvement over the previous year at $1,581,328 ($650,084). Production of canned salmon in British Columbia in 1947 amounted to 1,505,158 cases as compared with 1,348,138 the previous year. Total herring catch amounted to 171,434 tons (124,995). Total frozen fish production was 41,161,900 lb. (44,803,800). Production of vitamin liver oils was 2,608,298 lbs. (1,980,553). A favorable run of chum salmon was not fully reflected in the canned pack figures due to lifting of export embargo on raw fish.

Only 5% of the canned salmon pack was taken by the United Kingdom owing to the dollar shortage. The Canadian market which had been short for many years readily absorbed approximately 1 million cases or 2/3 of total pack. This domestic volume is 70% greater than prewar consumption and reflects the increased population of Canada and improved purchasing power of consumers, it is said. Most important export markets were South Africa, Belgium and the Philippine Islands.

From the provincial pack of canned herring 1,255,000 cases, about 800,000 cases were purchased for relief purposes through Canadian Government channels. The remainder is being offered to regular export outlets and is being placed in numerous smaller markets.

During first three months of 1948, the demand for fresh and frozen fish products in both the United States and Canada underwent a serious decline accompanied by a falling price level. This trend reversed itself, however, in April of this year and the upward trend has not yet been checked by any decline in demand for halibut and salmon. The tendency toward increased use of frozen fish in packaged form continues, it is said. The company is extending its production and distribution of this product.

Total canned salmon pack as at this date is larger than in any of the eight previous years. Some of the present year's canned salmon pack is already moving into consumption in the domestic market. It is expected that the export outlets will be the same as existed last year, with the exception of the United Kingdom. At present there is no indication that there will be any large volume demand for canned herring.

Capital expenditures made during the year did not involve any unusually large items but were numerous and spread over a wide range of the operations of the company and its subsidiaries in British Columbia, Manitoba and the United States, and included additions to both plant and floating equipment. Directors have authorized installation, during the current year, of "stick-water" process at Imperial Plant. This process is designed to recover from the waste waters of the fish meal and oil operation condensed fish solubles for livestock and poultry feeding purposes. This is the first commercial operation of its kind in Western Canada.

CONS. INCOME ACCOUNT

Years Ended Apr. 30:	1948 $	1947 $
Net sales	28,752,969	26,524,112
Net earnings	3,778,482	2,013,622
Less: Depr.	575,482	611,488
Bond int.	35,250	39,[illegible]
Tax reserves	1,586,422	712,320
Net profit	1,581,328	650,084
Less: Min. int.	2,430	5,[illegible]
Cl. A & B divds.	283,971	282,[illegible]
Surplus for year	1,294,927	361,888
Times Bond Interest Earned:		
Before depr.	107.19	51.[illegible]
After depr.	90.87	35.[illegible]
Earnings per Share and Dividend Record:		
Cl. A: Earned	$5.59	[illegible]
Paid	0.75	[illegible]
Cl. B: Earned	4.84	[illegible]
Paid	0.25	[illegible]

CONDENSED CONS. BALANCE SHEET

As at April 30:	1948	1947
Cash	$392,631	$1,286,238
Accts. rec.	1,997,568	2,107,215
Inventories	4,977,061	4,559,842
Total curr. assets	7,367,260	7,953,295
Prep. exp.§	80,837	[illegible]
Misc. assets▲	501,484	[illegible]
Fixed assets*	3,769,133	3,740,116
Licenses, goodwill	1,256,933	1,256,933
Total assets	12,975,647	13,2[illegible]
Bank advances	......	1,8[illegible]
Accts. & tax. pay.	3,932,120	3,3[illegible]
Total curr. liab.	3,932,120	5,1[illegible]
Minority int.	65,896	[illegible]
Funded debt	900,000	1,200,000
Capital stock	3,730,000	3,730,000
Capital surplus	336,468	336,468
Earned surplus♦	4,011,163	2,[illegible]
*After depr. of	7,113,422	6,[illegible]
▲Incl. ref. EPT	171,443	[illegible]
♦Incl. ref. EPT	275,145	[illegible]
§Incl. in curr. assets in co's. report.		
Working capital	3,435,140	2,756,221

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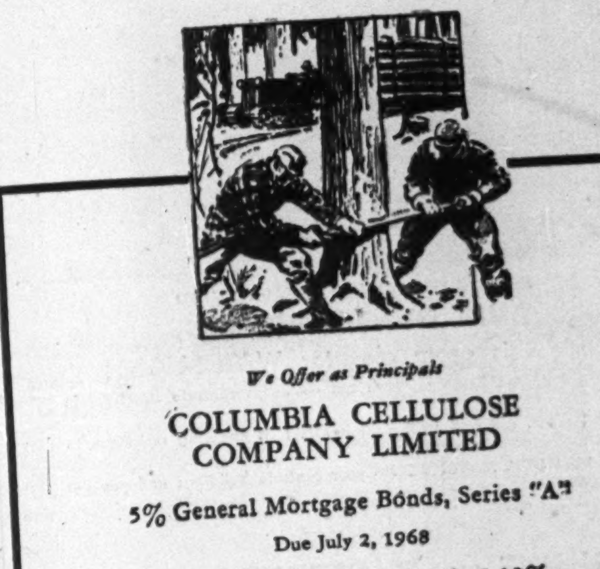
Members The Toronto Stock Exchange
330 BAY ST. WA. 4831 TORONTO

J. E. GRASETT & CO.
Members The Toronto Stock Exchange
244 BAY STREET, TORONTO WA. 4781
BRANCH
3030 DUNDAS ST. W. (opposite High Park Ave.) JU. 1167

SAVARD & HART
MEMBERS
MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET
SAVARD, HODGSON & CO. INC.
MEMBER
THE INVESTMENT DEALERS ASSOCIATION OF CANADA
MONTREAL
QUEBEC • THREE RIVERS • SHERBROOKE • ST. JOHNS, P.Q.



We Offer as Principals
COLUMBIA CELLULOSE COMPANY LIMITED
5% General Mortgage Bonds, Series "A"
Due July 2, 1968
Price: to yield approximately 5.10%
NESBITT, THOMSON & COMPANY, LIMITED
38 King St. West, Toronto, Ont.

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No one can play every position. Pitcher, catcher, shortstop—each of them is a specialist.
Estate administration calls for wide knowledge, experience and a variety of skills not usually possessed by any one individual.
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Capital, Reserves and Surplus in excess of $7,500,000
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Ontario Steel Products Co.
LIMITED

Manufacturers of

Automobile and Truck Chassis Springs, Bumpers, Axles

☆

Chrome, Nickel and Copper PLATING
Chromarding
(Hard Chrome Plating)

☆

PLASTICS Extruded and Moulded

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Springs and Axles for Horse-drawn Vehicles

CHATHAM OSHAWA
GANANOQUE
ONTARIO

Base Metals Market Lethargy an Enigma As Earnings Move Up to Record Levels

Why aren't base metal stocks enjoying a first class market boom, now that most base metals are earning more than ever before? Have favorable earnings statements lost their "magic touch" as far as base metal stocks are concerned?

A few fair upward market swings, such as that of Normetal on an increased dividend, have been noted. But the base metal market has been much more noteworthy for the $10 drop in Consolidated Smelters shares from a $121⅝ peak right after the latest marking up of metal prices. Estimated earnings of $14 a share on Smelters did not prove an important stimulant marketwise.

A General Situation

The public's failure to show any great excitement with even base metals such as Normetal and New Calumet selling as low as five times annual earnings, appears primarily a facet of a general situation, where the public is apparently unwilling to concede that present high levels of earnings can continue. In the United States, it was recently calculated that stocks are selling at little better than nine times' earnings — an unprecedentedly low ratio. Canadian base metals appear to have reflected this situation more than the situation in Canadian industrial issues, where the price-earnings ratios are not generally quite so attractive.

When prices generally are enjoying a marked inflationary rise, as they are in the United States and Canada, increased earnings are not an unusual result. This situation has apparently persisted today in spite of handling of inventories on a LIFO—last-in-first-out—basis.

But metal authorities say the situation with respect to base metal prices is perhaps different from that with respect to many other prices. The belief is advanced that base metal prices—and earnings—are more likely to remain stable at higher levels than prices and earnings in many another category of industry. Five main arguments are advanced:

1. Base metal supplies are today unavailable for many of ordinary peacetime uses, with a big backlog of consumer demand.

2. ECA has assured maintenance of a continued strong European demand for base metals for the next few years at least.

3. The U. S. preparedness program is expected to result in a marked competition for available supplies of base metals.

4. The U.S. plan for $3 billions of strategic minerals in stockpile within five years has made little headway because of unavailability of minerals such as copper and zinc for stockpiling.

5. Efforts to increase production have not been very successful with outputs of copper, lead and zinc, all below wartime peaks.

Costs Up, Deliveries Slow

Two important factors preventing rapid expansion of output are delays in delivery of necessary equipment to expand production facilities, and greatly increased cost of such equipment. Then again, new mines take time to find, and often years are required for their development. Most of the easy-to-find mines are probably in production already. The fact that no great public demand has so far developed for shares of the really profitable base metals, has served to place a damper on the promotion of new base metal enterprises.

Some stock market specialists feel that if present base metal prices and earnings persist, shares of base metal producers will gradually work into higher ground as investors are attracted by high dividend yields available. Hope is voiced that the base metal boom may prove to be of a delayed action type.

United Keno Hill Profits Seen Close to Million-a-Year Mark

A substantial production and earnings picture is being built up by United Keno Hill Mines, Canada's large new silver-lead producer in Yukon's Mayo district.

Estimated operating profit for July was between $80,000 and $100,000. Output value of $247,588 represented 193,921 oz. silver, 527,566 lb. lead. Mill handled 115 to 120 tons a day, it is stated, with mill heads averaging 66 oz. silver.

Objective for the present is treatment of 150 tons daily and a stabilized operating profit of $80,000 a month. This would mean an annual profits rate of $960,000 a year, or a little over 40c a share on 2.2 million shares issued.

To date this year, over 4,000 tons of concentrates have been shipped, averaging over 300 oz. silver and approximately 41% lead. These concentrates have a metal content of over $1.5 millions. Some of the concentrates have reached smelter and first returns have been received. A further $500,000 worth of concentrates will probably be shipped before navigation closes.

Flotation units of the former Aldermac mill acquired have reached Whitehorse and construction for their installation is under way. The company recently purchased the 150-ton mill formerly operated by Gold Belt Mining Co. at Sheep Creek, B.C. This has been dismantled, and part of the equipment has already been shipped. It will be used to cyanide a secondary concentrate, and will materially increase profits, it is stated.

In the Calumet winze area, the vein has been cut at the 450-ft. horizon averaging 100 oz. silver across 6 ft. where intercepted.

In the Hector mine, opened by the present company, a further 150 ft. of high-grade ore has been opened in advance on the 300-ft. level. This makes a total of 700 ft. of continuous high-grade ore at this level, averaging better than mine average, or over 50 oz. silver per ton.

Giant Yellowknife Pouring August 24

Official pouring of a gold brick is scheduled to take place at Giant Yellowknife Gold Mines on Aug. 24 in the presence of a large gathering of company and government officials, and others who have participated in development of the project.

Among those expected to attend are Rt. Hon. C. D. Howe, Minister of Trade & Commerce; Hon. J. A. MacKinnon, Minister of Mines & Resources; and Dr. Charles Camsell, personal representative of President Thayer Lindsley and former Dominion Deputy Minister of Mines.

From Toronto, will be present Neil McKinnon, assistant general manager, the Canadian Bank of Commerce; N. F. Parkinson, executive director, the Ontario Mining Association; Charles McCrea, president of Negus Mines, J. H. C. Waite, president of Mining Corp. of Canada and numerous others.

Practically 100% turnout of Giant officers and directors is anticipated.

British Dominion Deals on Pincher

British Dominion Oil & Development Corp. announces an agreement with Barnsdall Oil Co., one of the major oil companies of the United States, for a geophysical survey of 34,530 acres of oil leases held by the British Dominion in the Pincher Creek area in southwest Alberta, and for such drilling as exploration work indicates is justified.

Barnsdall bears all lease rentals and other expense, including all cost of wells drilled and all expense of production, reserving to British Dominion a share of all oil, free of cost.

This large oil leaseholding lies on the structural trend, north, northeast and northwest of the Gulf Oil Co.'s discovery well Pincher Creek No. 1; and is checkerboarded with the Gulf's holding of 150,000 acres leased from Calgary & Edmonton.

Siscoe Finances B. C. Base Metal

From Our Own Correspondent

VANCOUVER — Siscoe Gold Mines, Quebec gold producer, is planning to go into base metal production in British Columbia.

An offer advanced by R. G. Walsh, Siscoe general manager, at the annual meeting of Silver Giant Mines, Spillamacheen, received approval of shareholders at the annual meeting. Another meeting was held Wednesday to work out definite plans.

Siscoe would enter into work in a large way and seek to get maximum production from this lead-silver mine.

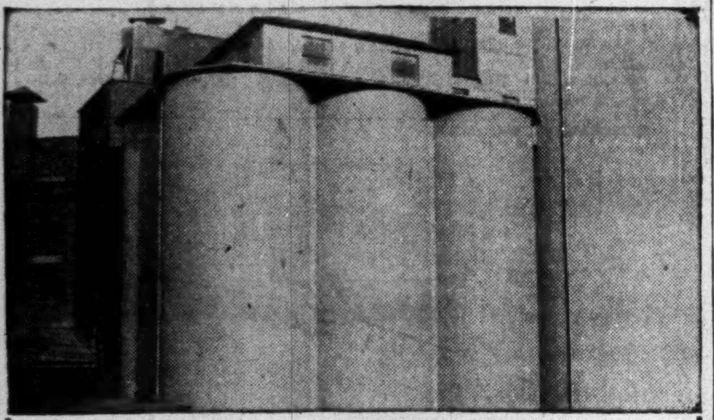
Mr. Walsh said it is planned to establish a 300-500 ton mill following three months of development work, if a minimum of 140,000 tons of positive ore is developed. Siscoe also has, he said, a 1,000-ton mill, which if installed, would make it one of four or five largest in the province.

Siscoe asks for an option to purchase 1,600,000 shares of Silver-Giant treasury stock at 50 cents a share. Also it would receive a bonus of 200,000 shares of the stock if property comes into production with milling at not less than 300 tons daily within 12 months of commencement of construction of a mill.

Heva Extraction Good From Sample Test Run

Both flotation and cyanidation treatment of Heva Gold Mines ore gives excellent extraction and it now appears that the Aerofall mill can be used successfully preparatory to concentration, The Financial Post is advised. The layout and flowsheet suggested would permit an economical operation both as to capital expenditure and operation.

Heva recently shipped several tons of ore from its dump to Aerofall Mills Ltd. for pilot mill test.



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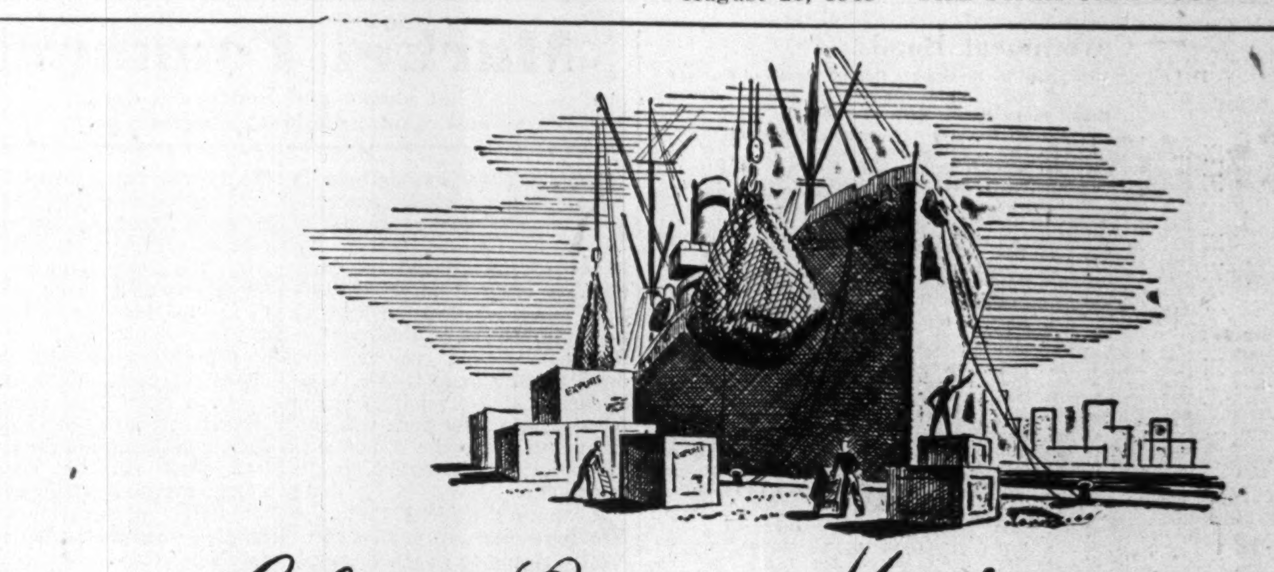

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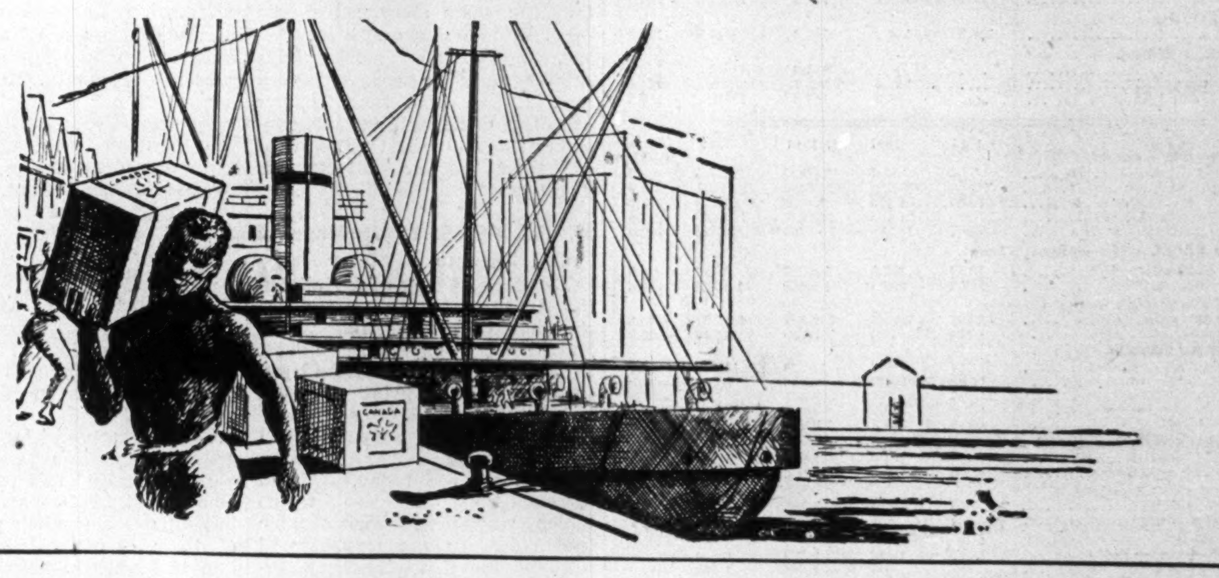

189-8

B. C. Uranium Find May Be Pitchblende

From Our Own Correspondent

VANCOUVER—Dr. John F. Walker, Deputy Minister of Mines for B. C., indicates that radio-active material discovered in Bridge River district, may be pitchblende, the most valuable of uranium ores.

If the samples now being studied in laboratories of B. C. Research Council do not crystalize then it will mean that discovery, which looks like an important one, will be pitchblende, he said.

Meanwhile, a number of prospectors here are outfitting for search for uranium in the province. B. C. and Yukon Chamber of Mines reports that they had more than half a dozen men in the first morning after discovery was announced. At the moment, however, the town is practically out of Geiger counters, and there won't be much prospecting until more arrive from the East.

LEITCH GOLD MINES reports estimated net profit of $41,381, or 1.4 cents a share in three months ended June 30, down from $64,033, or 2.2 cents in previous quarter. Production totaled $226,261 ($247,344).

INTERNATIONAL URANIUM MINING CO. has received payment for Sept. 15 installment of 50,000 shares at 30 cents from Torny Securities. Issued capital is 2,695,005 shares.

WRIGHT-HARGREAVES MINES has declared a dividend of four cents per share, payable Oct. 1 to shareholders of record Aug. 26.

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Ontario Gold Production Up

Shows 1.56% Increase For First Half of the Current Year

Ontario gold production at $35,047,993 in six months ended June 30, was 1.56% above output in similar 1947 period, Mines Department reports. The 45 mines milled 4,087,612 tons of ore and recovered 997,832 oz. of gold and 199,666 oz. of silver.

Notwithstanding a slight increase in average grade of ore treated, the industry recorded a production drop in June. During the month the mines treated 695,065 tons of ore, lowest since March, 1948, recovered 167,245 oz. of gold, lowest since February, 1948, and 30,483 oz. of silver, lowest since January, 1948.

Value of gold production and tonnage of ore treated for individual mines in six months to June 30, 1948, follows:

AREA	Tons Milled	Total Value $
PORCUPINE		
Aunor	87,282	977,925
Bonetal	21,129	84,613
Broulan	34,684	309,447
Buffalo Ankerite	85,344	488,880
Coniaurum	59,010	600,799
Delnite	54,499	513,514
Dome	308,700	2,686,004
Hallnor	63,409	763,759
Hollinger	553,868	4,429,942
Hoyle	47,937	132,302
McIntyre	332,680	3,507,029
Naybob	11,364	19,187
Pamour	194,826	586,853
Paymaster	78,341	555,023
Porcupine Reef	19,186	114,880
Preston	117,240	910,508
Ross	51,832	339,306
KIRKLAND LAKE		
Bidgood	20,901	202,450
Kirkland Lake	47,080	738,671
Macassa	50,219	698,897
Lake Shore	167,059	2,432,051
Sylvanite	82,593	729,743
Teck-Hughes	37,415	523,588
Toburn	22,616	255,721
Upper Canada	60,287	663,566
Wright-Hargreaves	91,410	1,556,950
LARDER LAKE		
Chesterville	154,950	657,680
Kerr-Addison	393,939	2,643,827
MATACHEWAN		
Matachewan Cons.	121,684	411,523
Young-Davidson	103,528	309,997
SUDBURY		
Renabie	45,846	408,935
PATRICIA PORTION		
Berens River	......	241,780
Central Patricia	65,017	751,251
Cochenour	36,603	528,219
Hasaga	64,301	422,804
Madsen	75,406	572,116
McKenzie	39,121	371,940
McMarmac	10,819	81,420
Pickle Crow	53,307	798,580
THUNDER BAY		
Hard Rock	42,723	246,293
Leitch	16,082	473,176
Little Long Lac	48,173	451,366
MacLeod-Cockshutt	97,994	676,619
Magnet	11,435	161,195
Talmora Long Lac	5,773	13,940
MISCELLANEOUS	......	3,719
GRAND TOTAL	4,087,612	35,047,993

Porcupine Reef Production $80,318 For July, 1948

While production at Porcupine Reef Gold Mines is not yet on a regular routine basis, the company has been obtaining extremely favorable results from initial shipments to the mill of Broulan Porcupine Mines, The Financial Post is informed.

In July, a recovery of $80,318 was obtained from treatment of 3,664 tons of ore. Average recovery amounted to 0.63 oz. gold per ton. Ore treated came from stopes on the 500 and 800-ft. levels, raising on the 500 and drift development on the 350 level.

Production is not yet on a regular basis because the ore passes and loading-pocket installations at the bottom 970-ft. level have not been completed. The 100 tons of ore, more or less, being shipped daily to the adjoining Broulan mill still have to be trammed to the shaft. When all facilities are completed, by early fall, it is expected production will be gradually stepped up, in keeping with the ore resources of the mine.

Drifting on the 350-ft. level west of the shaft crosscut is yielding results similar to the 500 level where 521 ft. of ore was developed with an average grade from chip sampling of 0.52 ozs. across a width of 6.9 ft. To the end of July, drift advance on the 350 west totaled 269 ft. and, after passing beyond the fault, which has so far delimited the ore zone to the east on all levels, the last 134 ft. shows a grade in chip sampling of 0.58 ozs. per ton over a width of 8.4 ft. The 495 cars of muck taken out over this stretch showed an average value of 0.84 oz. or 0.46 oz. with all high assays cut to an ounce.

Ore continuity between the 350 and 500 levels was established in the 51-2 raise which was broken through to the 300 during the month. From this raise a total of 303 cars of muck were taken out having an average grade of 1.69 oz. per ton or 0.46 oz. cut to a half ounce.

On the 650 level west, drifting beyond the diabase dike toward the Hugh-Pam property has been resumed. The last face is 740 ft. west of the main crosscut and 168 ft. west of the dike. The face of the drift was 100% quartz for a width of 8 ft. and the last 70 ft. has given an average grade of 0.31 oz. from chips and 0.18 from car sampling. Should this zone continue into Hugh-Pam it will be developed under the arrangements previously concluded between that company, Broulan and Porcupine Reef.

On the 200-ft. level, the main crosscut is 141 ft. south of the shaft and will be continued to 300 ft. around which point a drill intersection gave 9 ft. of ore averaging 1.62 oz. gold per ton.

Bordulac Reports Values Continue

Drifting east on the south vein of Bordulac Mines has opened up more than 100 ft. of the massive sulphide ore previously announced, President T. W. MacDowell informs The Financial Post.

Widths vary from 3 ft. to more than 6 ft. for this length, it is stated. Visible gold is showing in places and channel samples are reported to range between $8 and $10 with visible gold eliminated. Scheelite continues to occur.

The 250 lb. sample of this sulphide ore sent to the Bureau of Mines Laboratories at Ottawa assayed 0.54 oz. gold or $18.90 and the WO_3 content averaged 2.64%. Valuing tungsten at $20 per unit of 20 lbs. WO_3 of 70% grade, a value of $56.80 per ton is placed on the tungsten content or a combined value of $75.70, it is stated. The management does not believe that this value represents the average tungsten content of the ore but believe that by sorting, tungsten may prove a valuable by-product. Flotation, with subsequent treatment of the flotation concentrate, appears to indicate the procedure for highest extraction, it is stated.

The drift west on the North vein has opened up a second high grade ore shoot showing coarse visible gold for a length of 20 ft. where it is displaced by a fault. Channel assays were $41.65 over 18 in., $105.70 over 16 in. and $250.60 over 16 in.

A second vein is being opened off this drift.

A shipment of about 10 tons of ore from three surface pits along a length of 300 ft. to Noranda Mines assayed 0.72 oz. gold, it is stated.

Quebec Base Metal Mines Show Higher Gold Output

Headed by a 121.7% increase at Noranda Mines, the five base metal producers in Quebec showed a 87.9% rise in value of gold production in six months ended June 30, at $2,733,080.

Reflecting the smelter closure through miners' strike in a portion of 1947 period, production at Noranda Mines jumped from $1,011,360 to $2,241,960. Waite-Amulet was the only operation experiencing a recession, output dropping from $289,135 to $260,540.

Gold production, $12,832,735 was 23% above the 1947 period.

Two new mines were added to the list of gold producers in June. Hosco Gold Mines, operating in Rouyn twp. is treating its ore in the former McWatters Gold Mines mill and New Rouyn Merger Mines, in Joannes twp., is shipping ore to Noranda Mines.

Gold production and tonnage figures for straight gold and base metal mines in first six months of 1948 follow:

Gold Mines	Tonnage	Value $
Belleterre	65,075	747,110
Can. Malartic	167,537	593,320
Cons. Beattie	223,390	888,615
Cons. Cent. Cad.	53,818	255,920
East Malartic	142,316	612,850
Elder	46,369	218,925
Lamaque	154,430	1,150,170
Louvicourt	62,255	274,085
Malartic G. F.	135,466	981,225
New Marlon	29,793	199,710
O'Brien	30,295	509,075
Perron	55,662	396,130
Powell Rouyn	52,174	232,050
Senator Rouyn	56,889	254,940
Sigma	200,230	1,277,010
Siscoe	30,951	258,720
Sladen	111,464	303,730
Stadacona	67,511	444,850
Sullivan	67,583	508,305
Other Mines	....	12,915
Total		10,119,655
Base Metal Mines		
Golden Manitou	162,430	123,830
New Calumet	97,014	37,170
Noranda	454,698	2,241,960
Normetal	120,503	69,580
Waite Amulet	203,502	260,540
Total		2,733,080

Inco Gains 26c. In 1st 6 Months

Net profits of International Nickel Co. of Canada increased to $20,235,006, or $1.32 per share in first half of 1948, up from $16,460,339, or $1.06 per share in similar 1947 period.

Final earnings of $9,819,301, or 64 cents per share in quarter ended June 30, were down from $10,415,705, or 68 cents per share in previous quarter.

Net sales of $90,990,251 in half year were up from $81,117,834 in 1947 half year. Work-capital moved up from $144,095,210 at end of 1947 to $149,936,999 at June 30.

Nib Yellowknife Gets Lease Near Aldersyde

Nib Yellowknife Mines has acquired leases on 480 acres near Aldersyde, Alta., about three-eighths of a mile from Pan-Ranchmen's No. 1 test well. A 40% interest is also held in 800 acres in general Leduc area, where adjoining interests are planned to drill in near future.

The company still retains its Penhorwood twp. and Sotham twp. properties in Ontario and the 48-claim group in Yellowknife district, N.W.T. The "Dingee" group was dropped, after promising surface disclosures failed to carry depth.

VANANDA MINES announces initial shipment of ore to the Tacoma smelter from its Texada Island, B.C., property. Fifty tons is being mined daily and full production will be reached when 125-ton concentrator has been completed next September.

GOLD - URANIUM EXPLORATION plans carrying out surface stripping and trenching on its property comprising 250 acres in Maisonneuve twp., Berthier county, Que. Additional work is also planned for holdings in Hottah Lake area, N.W.T.

CONSOLIDATED DUQUESNE MINING CO. $1 par value shares were listed on the Toronto Stock Exchange Aug 17, when shares of Duquesne Mining Co. were removed.

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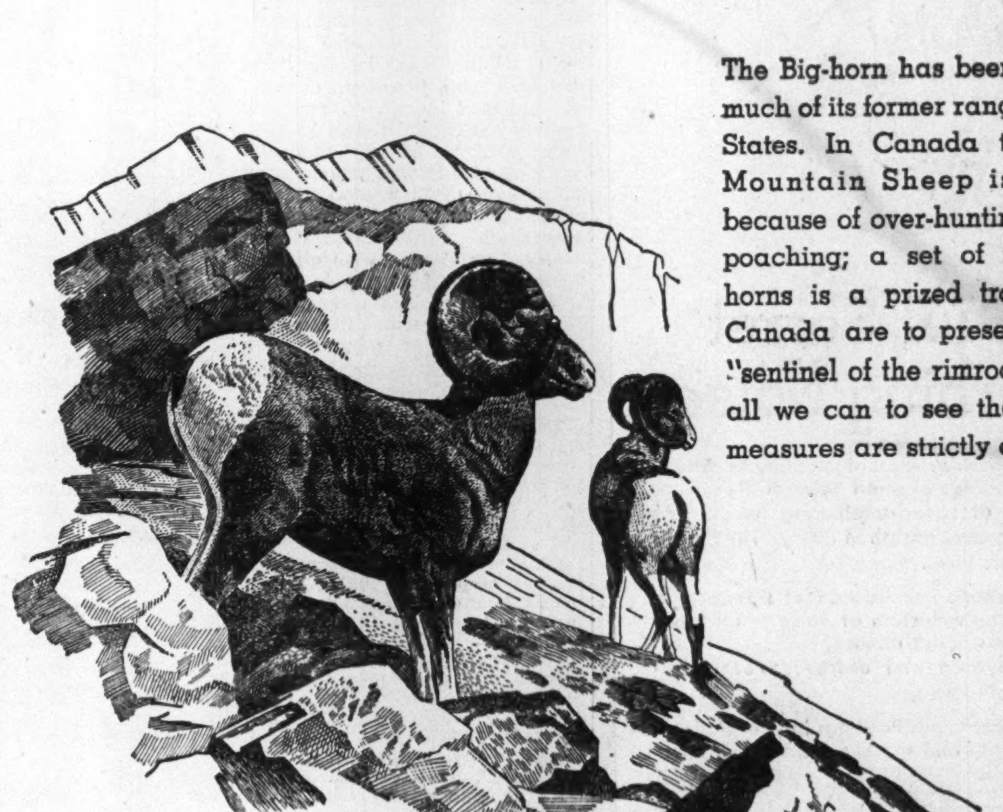

The Big-horn has been hunted out of much of its former range in the United States. In Canada too, the Rocky Mountain Sheep is decreasing because of over-hunting and outright poaching; a set of its magnificent horns is a prized trophy. If we in Canada are to preserve this stately "sentinel of the rimrock" we must do all we can to see that conservation measures are strictly observed.

The Carolina Paroquet was slaughtered just for its brightly coloured feathers. It is now extinct, a bitter lesson to us to preserve what we can of our vanishing wildlife.

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NEWFOUNDLAND NEWSLETTER

Canadian Engineers Help Build Diversion Dam, Canal

Special Correspondence

SAINT JOHN—Carving a path through a wilderness 25 miles as the crow flies from St. John's, the Newfoundland Light & Power Co. is constructing a new diversion dam and canal in its extensive system of water storage to supply St. John's with power.

Opening up a previously inaccessible area, the company began actual construction work late in July; hopes to have the project completed by November. A seven-mile road had to be driven through the wilderness, to enable heavy machinery to be driven into the position. Adverse weather conditions through June and July held up the work, and construction of the dam and canal began one month behind schedule.

This new road enables the contractors to plan a dam which involves 30,000 cubic feet of earth, boring a 20 ft.-long, 6.5 by 7 ft. tunnel through solid rock, and raising the level of 846 acre Mobile Big Pond 21 feet. above its normal level.

Meet Seasonal Shortage

Due to cyclic variations, the company usually faces a shortage of water between December and March, a period when power demands are at their height.

When construction is completed, Mobile Big Pond will discharge through an 8,000-ft. canal. The earth-fill dam will be 90 ft. wide with a height of 36 ft., and will keep in reserve 50,000 acre ft. of water for use during periods of low rainfall.

Despite delays encountered, the company's luck was not all bad. In the soil of the construction area is a material known as "pug," which acts as a binder to hold disintegrated rock together. As far as is known, this material is not found in Canada, and it is of great assistance in dam construction, acting as a natural cement.

The work is being supervised by Canadian engineers, but is being done by Newfoundland workmen. Contractors are Newfoundland Concrete Products, Ltd.

* * *

See Good Salt Fish Market

A good demand for Newfoundland salt fish in Europe is foreseen this year. One reason is that the Norwegian, Faroes and Icelandic fisheries have been below average in catch and cure.

Main reason for delay in contract-signing is the sterling bloc. Although the Government has agreed to use surplus dollar funds to guarantee sales to countries in the sterling area, it has stipulated that sales must be made for dollars if at all possible, in order to conserve the diminishing surplus account.

Sterling is accepted by Newfoundland in payment for fish sold to Europe and is put into a special account in London to be used eventually to repatriate the sterling debt, while fishermen and exporters here are paid in surplus dollars. But the surplus will soon all be converted to sterling; and for that reason fish exporters are trying to sell for dollars.

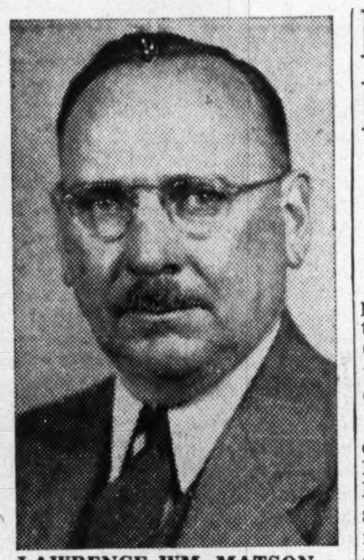
Brazil Curbs Imports

Brazil is also worrying exporters a little. At one time salt fish was on that country's priority list, but now things are tightening up, and all Brazilian importers must be licensed; which may cut sales.

On the over-all picture, this year's fishery will be a good one; but the catch is much below last year's in some sections of the country. For example, this year's spring baitings of the bank fishery have been much lower; in some cases amounting to 500 quintals (112 lb.) per vessel.

All schooners on the banks have found the fish "spotty." In some sections where the fish were plentiful last year, there was practically a blank this season, keeping the fleet constantly on the move. Foggy and wet weather also kept the fish in pickle longer than usual, and as a result, the quality has been lowered.

Despite non-negotiation of contracts, fish prices have already been stabilized, ranging from $14.75 to $7.00 per quintal.



LAWRENCE WM. MATSON

has been appointed superintendent of construction for the Canadian National Railways, with system jurisdiction.

Cattle Embargo's Removal Smashes Smuggling Racket

From Our Own Correspondent

VANCOUVER—Removal of the Canadian embargo on cattle exports this week, has broken up a lucrative cattle-smuggling racket between British Columbia and Washington state.

Royal Canadian Mounted Police, and U. S. customs authorities, had already been investigating the traffic, which contravened both U. S. customs regulations (although duties on cattle were small), and the Canadian embargo. Cattle brought much higher prices in the U. S. market.

Howard MacGowan of Seattle, chief U. S. customs officer for the Washington district, recently reported several seizures of contraband cattle, and said sufficient evidence was available to warrant arrest of three Canadians and two Americans.

Officials of the provincial Department of Agriculture here said they were not surprised that there was smuggling, because cattle in the Fraser Valley do not have to be branded, and this makes it difficult to check on ownership.

The cattle were purchased legitimately here, at auction sales, an official stated, explaining that "there is no law to prevent a farmer selling to someone who offers him a fancy price."

The smuggling was comparatively easy; on the flat lands of the Fraser Valley the border is interspersed by hundreds of roads which are scarcely checked since the removal of the U. S. border patrol some time ago.

"Any evening I could leave Vancouver and in three hours be in Bellingham, Wash., car and everything unchecked," one Fraser Valley stockman said.

Rheem Drum Plant Built in Holland

Rheem Manufacturing Co., San Francisco, Cal., announces association with a Netherlands company in formation of a jointly owned subsidiary under the name Rheem Evenblij N.V. and near-completion of a new 30,000-sq. ft. plant at Zeandam, Holland to make steel shipping containers. The affiliated company is Evenblij Vaten N.V., at Koog Aan De Zaan, near Amsterdam.

Rheem Evenblij, like the year-old Rheem Canada Ltd., Hamilton, Ont., will produce heavy duty tripper and lacquer-lined drums for the petroleum, chemical and food industries. The new company is capitalized at 1.5 million guilders or $600,000, and with working capital will represent an investment of $1 million, Rheem announces. It operates nine plants in continental United States, five outside with affiliate companies in Malaya, Australia and Brazil, besides Canada and Holland, makes water heaters for all fuels, besides being reputed world's largest maker of steel shipping containers.

TIP-TOP CANNERS, Greensville, Ont. net profit for the year ended April 30, 1948 was down slightly at $46,357 ($50,292 in previous year).

A slight decrease in sales resulted from a decreased pack, as a result of unfavorable weather conditions, President W. B. Hyslop states. Present crop and canning conditions appear favorable and a better than average pack is anticipated this year, he adds.

The company made capital additions to plant and equipment totaling $44,308, plus building and machinery under construction of $13,191. This was made to improve production methods, delivery and provide greater storage facilities.

All inventories on hand were placed at cost or market value, whichever the lower, with due allowance for any depreciated stock-in-trade in order to permit a narmal profit on realization.

INCOME ACCOUNT

Years Ended Apr. 30:	1948	1947
Net earnings	$107,123	$126,673
Less: Deprec.	23,017	18,493
Income taxes	37,749	57,888
Net profit	46,357	50,292
Less: Cl. A divds.	11,683	5,841
Surplus for year	34,674	44,451
Earnings per Share and Dividend Record:		
Cl. A: Bef. part	$1.98	$2.15
After part.	1.09	1.18
Paid	0.50	0.25
Cl. B: Bef. part.	1.48	*1.65
After part.	0.89	*0.98
None paid.		

*After allowing full year's cl. A divds.

CONDENSED BALANCE SHEET

As at Apr. 30:	1948	1947
Cash & Dom. bonds	$16,923	$30,203
Accts. rec.	60,437	53,336
Insur. dep.	8,161	7,212
Inventories	270,282	187,673
Total curr. assets	355,803	278,424
Misc. assets▲	61,180	64,699
Fixed assets	460,766	403,268
Total assets	877,749	746,391
Due to bank	121,750	......
Accts., etc., pay.	93,888	126,472
Taxes pay.	23,165	37,887
Total curr. liabs.	238,803	164,359
Reserves: Deprec.	293,186	271,512
Bad debts	5,863	5,297
Divds.	11,683	11,683
Capital stock	116,830	116,830
Capital surplus	3,791	3,791
Earned surplus▲	207,593	172,919
▲Incl. ref. EPT	33,762	33,762
Working capital	117,000	114,06[illegible]

Road Confab Dead Ahead?

Ottawa, Provinces to Talk Trans-Canada Standards, Financing

Proponents of federal aid for provincial roadbuilding—in particular completion of the trans-Canada Highway—perked up when the Liberal convention declared for action on that front.

But only a knowing few expected the immediate sequel—Trade Minister Howe's statement at the Lakehead: "We must get together soon with the provincial governments to work out standards of construction."

He said Ottawa would offer financial aid—reiteration of a proposal at the 1945 Dominion-provincial conference—but would adhere to a policy of discouraging major public works as long as private building continued at present tempo.

In Ottawa, Resources Minister MacKinnon said Ottawa probably would be the place of meeting.

Labor shortage, "tremendous" cost of such an operation and the problem of where the highway is to run were cited by Mr. MacKinnon as barring any very rapid or sweeping moves. He said he favored selection of an independent commission, including engineers and tourist trade experts to study the project.

The Canadian Construction Association was first major organization to hail these pronouncements publicly. President Allan C. Ross, of Ottawa said the CCA "has long advocated completion of a transcontinental system as an integral part of a national highway network" linking the provinces to one another and to the United States. "Construction and improvement of such roads is a prime essential to development of natural resources, the tourist trade, balance of trade with United States and adequate national defense. The Dominion Government should grant money to the provinces to aid construction."

The Rowell-Sirois report in 1940, Mr. Ross said, emphasized the desirability of over-all planning of highways; recognition of the principle of federal aid to highways was included in Ottawa proposals at the 1945 Dominion-provincial conference.

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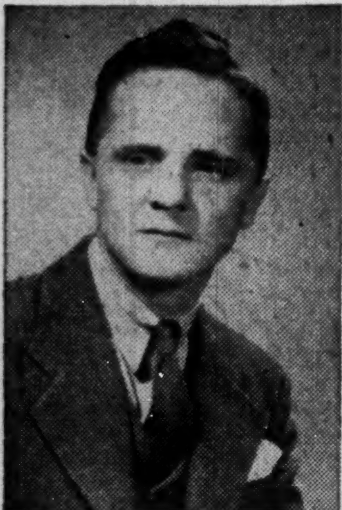

Announcement is made by Dr. P. C. C. Isherwood, O.B.E. Ph.D. F.R.I.C. president of W. J. Bush & Co., (Canada) Limited, of the appointment of Dr. Ernest Martin Ph.D. as their technical representative with laboratories in Toronto. *

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